

SENATE BILL No. 774

September 12, 2007, Introduced by Senator SWITALSKI and referred to the Committee on Appropriations.

A bill to amend 1985 PA 106, entitled
"State convention facility development act,"
by amending sections 8 and 9 (MCL 207.628 and 207.629), section 8
as amended by 1993 PA 58 and section 9 as amended by 2005 PA 312.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) The collections from the tax imposed by section 4
2 shall be deposited in the state treasury, to the credit of the
3 convention facility development fund, which is hereby created
4 within the state treasury. Collections from the additional tax ~~on~~
5 ~~spirits imposed pursuant to the tourism and convention facility~~
6 ~~promotion tax act, Act No. 107 of the Public Acts of 1985, being~~
7 ~~sections 436.141 to 436.148 of the Michigan Compiled Laws~~ **UNDER**
8 **SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA**
9 **58, MCL 436.2207,** shall also be deposited to the credit of the

1 convention facility development fund.

2 (2) The convention facility development fund shall be
3 distributed **FOR CERTAIN STATE PURPOSES AND** to local governmental
4 units for use only for 1 or more of the following purposes:

5 (a) Acquiring, constructing, improving, enlarging, renewing,
6 replacing, or leasing a convention facility.

7 (b) In conjunction with an activity listed in subdivision (a),
8 repairing, furnishing, and equipping the convention facility.

9 (c) Refinancing an activity listed in subdivision (a) or (b).

10 **(D) GENERAL FUND EXPENDITURES.**

11 (3) A contract made by a local governmental unit for the
12 purposes included in subsection (2)(a) or (b) concerning a
13 convention facility funded by distributions pursuant to section 9
14 shall contain a guaranteed maximum price for the total cost of
15 activities conducted for these purposes pursuant to that contract.

16 Sec. 9. (1) On or before the thirtieth day of each month, the
17 state treasurer shall make a distribution from the convention
18 facility development fund to a qualified local governmental unit.
19 The distribution shall be an amount equal to the sum of the
20 collections from the excise tax levied for accommodations under
21 this act for the previous month from the convention hotels in the
22 county in which the convention facility is or is to be located and
23 in any county in which convention hotels are located that is
24 contiguous to the county in which the convention facility is
25 located, or is to be located, and the additional tax imposed under
26 section 1207 of the Michigan liquor control code of 1998, 1998 PA
27 58, MCL 436.2207, for the previous month received in the fund.

1 However, distributions for any state fiscal year to any qualified
2 local governmental unit shall not exceed an amount equal to the
3 amount pledged, assigned, or dedicated by the qualified local
4 governmental unit pursuant to section 11 for the payment during
5 that state fiscal year of bonds, obligations, or other evidences of
6 indebtedness incurred for the purposes specified in this act, plus
7 any amount necessary to maintain a fully funded debt reserve or
8 other reserves intended to secure the principal and interest on the
9 bonds, obligations, or other evidences of indebtedness as contained
10 in the resolution or ordinance authorizing their issuance.

11 (2) Notwithstanding the distributions provided by subsection
12 (1), if a local governmental unit becomes a qualified local
13 governmental unit entitled to receive distributions from the tax
14 imposed under section 1207 of the Michigan liquor control code of
15 1998, 1998 PA 58, MCL 436.2207, or from the tax imposed by this act
16 in counties in which the convention facility is located or in a
17 county in which a convention hotel is located that is contiguous to
18 the county in which the convention facility is located, no other
19 qualified local governmental unit is entitled to distributions
20 pursuant to this section for which that qualified local
21 governmental unit has previously become entitled.

22 (3) As used in this act, "qualified local governmental unit"
23 means a city, village, township, county, or authority that is
24 located in a county in which convention hotels are located and that
25 either is the owner or lessee of a convention facility with 350,000
26 square feet or more of total exhibit space on July 30, 1985 or, if
27 such a convention facility does not exist, will be the owner or

1 lessee of a convention facility with 350,000 square feet or more of
2 total exhibit space through the application of distributions under
3 this section to the purchase or lease of a convention facility.

4 (4) Notwithstanding any other provision of this act, after the
5 distributions under subsection (1), and before any distributions
6 under section 10, for fiscal year 2004-2005 only, \$1,075,000.00
7 shall be distributed to the state sports tourism fund. The money
8 distributed to the state sports tourism fund described in this
9 subsection, including any funds appropriated in fiscal year 2005-
10 2006 from the state convention facility development fund, shall be
11 deducted from the money described in section 10(2)(a) before any
12 distribution is made under section 10(2)(a).

13 (5) The state sports tourism fund is created within the state
14 treasury.

15 (6) The state treasurer may receive money or other assets from
16 any source for deposit into the state sports tourism fund. The
17 state treasurer shall direct the investment of the state sports
18 tourism fund. The state treasurer shall credit to the state sports
19 tourism fund interest and earnings from the state sports tourism
20 fund investments.

21 (7) Money in the state sports tourism fund at the close of the
22 fiscal year shall remain in the state sports tourism fund and shall
23 not lapse to the general fund. However, money remaining in the fund
24 on September 30, 2006, shall lapse to the convention facility
25 development fund.

26 (8) The department of treasury shall expend money from the
27 state sports tourism fund, upon appropriation, only for grants to

1 Super Bowl XL host committee functions related to hosting, staging,
2 or execution of Super Bowl XL activities or to reimburse a county
3 not more than \$500,000.00 for contributions or grants already made
4 to the Super Bowl XL host committee for functions related to
5 hosting, staging, or execution of Super Bowl XL activities. Money
6 shall not be distributed to the state sports tourism fund that
7 impairs obligations, bonds, or other evidences of indebtedness
8 issued under this act.

9 (9) The department of treasury shall expend money from the
10 state sports tourism fund, upon appropriation of not more than
11 \$1,000,000.00, for Super Bowl XL host committee functions related
12 to security operations of Super Bowl XL activities. Money shall not
13 be distributed to the state sports tourism fund that impairs
14 obligations, bonds, or other evidences of indebtedness issued under
15 this act.

16 **(10) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, FOR THE**
17 **FISCAL YEAR ENDING SEPTEMBER 30, 2007 ONLY, AFTER THE DISTRIBUTIONS**
18 **UNDER SUBSECTION (1) AND BEFORE ANY DISTRIBUTIONS UNDER SECTION 10,**
19 **FUNDS MAY BE DISTRIBUTED TO THE GENERAL FUND OF THIS STATE AS**
20 **PROVIDED IN AN APPROPRIATION ACT.**