

Act No. 72
Public Acts of 2007
Approved by the Governor
September 30, 2007
Filed with the Secretary of State
September 30, 2007
EFFECTIVE DATE: September 30, 2007

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2007**

Introduced by Senator Switalski

ENROLLED SENATE BILL No. 774

AN ACT to amend 1985 PA 106, entitled "An act to impose a state excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests in certain counties; to provide for the levy, assessment, and collection of the tax; to provide for the disposition and appropriation of the collections from the tax; to create a convention facility development fund; to authorize the distributions from the fund; to authorize the use of distributions from the tax as security for any bonds, obligations, or other evidences of indebtedness issued to finance convention facilities as provided by law; to prescribe certain other matters relating to bonds, obligations, or other evidences of indebtedness issued for such purposes," by amending sections 8, 9, and 10 (MCL 207.628, 207.629, and 207.630), 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:

Sec. 8. (1) The collections from the tax imposed by section 4 shall be deposited in the state treasury, to the credit of the convention facility development fund, which is hereby created within the state treasury. Collections from the additional tax imposed under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, shall also be deposited to the credit of the convention facility development fund.

(2) The convention facility development fund shall be distributed for certain state purposes and to local governmental units for use only for 1 or more of the following purposes:

- (a) Acquiring, constructing, improving, enlarging, renewing, replacing, or leasing a convention facility.
- (b) In conjunction with an activity listed in subdivision (a), repairing, furnishing, and equipping the convention facility.
- (c) Refinancing an activity listed in subdivision (a) or (b).
- (d) General fund expenditures.

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

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

MCL 436.2207, for the previous month received in the fund. However, distributions for any state fiscal year to any qualified local governmental unit shall not exceed an amount equal to the amount pledged, assigned, or dedicated by the qualified local governmental unit pursuant to section 11 for the payment during that state fiscal year of bonds, obligations, or other evidences of indebtedness incurred for the purposes specified in this act, plus any amount necessary to maintain a fully funded debt reserve or other reserves intended to secure the principal and interest on the bonds, obligations, or other evidences of indebtedness as contained in the resolution or ordinance authorizing their issuance.

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

(3) As used in this act, "qualified local governmental unit" means a city, village, township, county, or authority that is located in a county in which convention hotels are located and that either is the owner or lessee of a convention facility with 350,000 square feet or more of total exhibit space on July 30, 1985 or, if such a convention facility does not exist, will be the owner or lessee of a convention facility with 350,000 square feet or more of total exhibit space through the application of distributions under this section to the purchase or lease of a convention facility.

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

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

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

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

(8) The department of treasury shall expend money from the state sports tourism fund, upon appropriation, only for grants to Super Bowl XL host committee functions related to hosting, staging, or execution of Super Bowl XL activities or to reimburse a county not more than \$500,000.00 for contributions or grants already made to the Super Bowl XL host committee for functions related to hosting, staging, or execution of Super Bowl XL activities. Money shall not be distributed to the state sports tourism fund that impairs obligations, bonds, or other evidences of indebtedness issued under this act.

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

(10) Notwithstanding any other provision of this act, after the distributions under subsection (1) and before any distributions under section 10, for the fiscal year ending September 30, 2007 only, \$35,000,000.00 is transferred to the general fund and is appropriated for general fund expenditures.

Sec. 10. (1) Any money remaining in the convention facility development fund that is not used for the bonds, obligations, or other evidences of indebtedness described in section 9 shall be distributed pursuant to subsection (2).

(2) Money in the convention facility development fund shall be distributed as provided in subsection (4) in the following order of priority in the following amounts:

(a) An amount equal to the difference, if any, between the tax imposed under this act in the preceding state fiscal year that is designated under section 9 to a qualified local governmental unit and the tax imposed under this act that is designated under section 9 in the state fiscal year immediately preceding the preceding state fiscal year for the same local governmental unit shall be distributed to that local governmental unit. This subdivision does not apply unless a tax has been imposed under this act in the entire 2 state fiscal years immediately preceding the state fiscal year in which a distribution under this subdivision is made. Any amount distributed under this subdivision shall be used by the local governmental unit only for the retirement of outstanding bonds, obligations, or other evidences of indebtedness incurred for which distributions under section 9 are pledged. A distribution under this subdivision shall not be made to the extent that the obligations, bonds, or other evidences of indebtedness cannot be retired or are not outstanding.

(b) An amount equal to that portion of the liquor tax collected under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, from licensees in counties in which convention hotels are not located shall be distributed to those counties in which convention hotels are not located in the same proportion that the amount of tax collected under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year from the licensees in a county bears to the total tax collections under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year from all counties in which convention hotels are not located.

(c) The remaining money available after distributions under subdivisions (a) and (b) shall be distributed to each county in the following amounts:

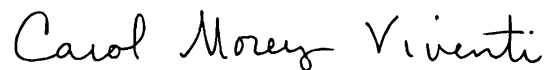
(i) The amount of money available to be distributed under this subdivision multiplied by the percentage of collections in the preceding state fiscal year under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, from licensees in counties in which convention hotels are not located shall be distributed to each county in which convention hotels are not located in the same proportion that the amount of tax collected pursuant to section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year from licensees in that county bears to the total tax collections from section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year from all counties in which convention hotels are not located.

(ii) The amount of money available to be distributed under this subdivision multiplied by the percentage of collections in the preceding state fiscal year under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, from licensees in counties in which convention hotels are located shall be distributed to each county in which convention hotels are located in the same proportion that the amount of tax collected pursuant to section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year from licensees in that county bears to the total tax collections from section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year from all counties in which convention hotels are located. However, in the calculation of the proportion represented by a county's share of distributions under this subparagraph, the amount of the tax collected from licensees in the qualified local governmental unit that received distributions under section 9 in the last state fiscal year shall not be included.

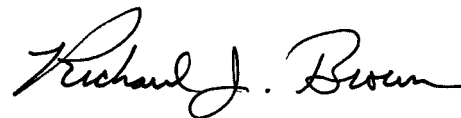
(3) A distribution to a county pursuant to this section shall be included for purposes of the calculations required to be made by section 24e of the general property tax act, 1893 PA 206, MCL 211.24e. If the governing body of a taxing unit approves the additional millage rate under section 24e of the general property tax act, 1893 PA 206, MCL 211.24e, which is due to distributions pursuant to this section, then an amount equal to 50% of the distribution under this section shall be used for substance abuse treatment within the taxing unit.

(4) Beginning October 1, 2007 and each year thereafter, from the revenue collected during the previous quarter, after distributing the monthly payments under section 9(1), the state treasurer shall make quarterly distributions under subsection (2)(b) and (c). From the revenue collected in the last quarter of the state fiscal year, the state treasurer shall make the distribution under subsection (2)(a) prior to any distributions under subsection (2)(b) and (c).

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor