

# HOUSE BILL No. 5120

June 17, 2009, Introduced by Rep. Johnson and referred to the Committee on Regulatory Reform.

A bill to amend 1985 PA 106, entitled  
"State convention facility development act,"  
by amending sections 6 and 10 (MCL 207.626 and 207.630), section 10  
as amended by 2008 PA 553.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 6. The excise tax imposed and levied by the state  
2 pursuant to this act ~~shall be~~ **IS** in addition to any other taxes,  
3 charges, or fees imposed by law upon accommodations.

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

8       (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) For each of the following fiscal years, the following amounts shall be distributed to a metropolitan authority created under the regional convention facility authority act, **2008 PA 554, MCL 141.1351 TO 141.1379**, for the operational deficit costs of a qualified convention facility operated by the authority under that act:

(i) \$9,400,000.00 for the fiscal year ending September 30, 2009.

(ii) \$11,000,000.00 each fiscal year for the fiscal years ending September 30, 2010 and September 30, 2011.

(iii) \$9,000,000.00 each fiscal year for the fiscal years ending September 30, 2012 and September 30, 2013.

(iv) \$8,000,000.00 each fiscal year for the fiscal years ending September 30, 2014 and September 30, 2015.

(v) \$7,000,000.00 for the fiscal year ending September 30, 2016.

(vi) \$6,000,000.00 for the fiscal year ending September 30, 2017.

(vii) \$5,000,000.00 each fiscal year for the fiscal years ending September 30, 2018 and September 30, 2019.

(viii) \$5,000,000.00 for the fiscal year ending September 30, 2020.

(ix) \$5,000,000.00 for the fiscal year ending September 30, 2021.

(x) \$5,000,000.00 for the fiscal year ending September 30,

1 2022.

2 (xi) \$5,000,000.00 for the fiscal year ending September 30,  
3 2023.

4 (b) For fiscal years ending before October 1, 2009, an amount  
5 equal to the difference, if any, between the tax imposed under this  
6 act in the preceding state fiscal year that is designated under  
7 section 9 to a qualified local governmental unit and the tax  
8 imposed under this act that is designated under section 9 in the  
9 state fiscal year immediately preceding the preceding state fiscal  
10 year for the same local governmental unit shall be distributed to  
11 that local governmental unit. This subdivision does not apply  
12 unless a tax has been imposed under this act in the entire 2 state  
13 fiscal years immediately preceding the state fiscal year in which a  
14 distribution under this subdivision is made. Any amount distributed  
15 under this subdivision shall be used by the local governmental unit  
16 ~~only~~**EXCLUSIVELY** for the retirement of outstanding bonds,  
17 obligations, or other evidences of indebtedness incurred for which  
18 distributions under section 9 are pledged. A distribution under  
19 this subdivision shall not be made to the extent that the  
20 obligations, bonds, or other evidences of indebtedness cannot be  
21 retired or are not outstanding.

22 (c) For fiscal years ending before October 1, 2015, an amount  
23 equal to that portion of the liquor tax collected under section  
24 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL  
25 436.2207, from licensees in counties in which convention hotels are  
26 not located shall be distributed to those counties in which  
27 convention hotels are not located in the same proportion that the

1 amount of tax collected under section 1207 of the Michigan liquor  
2 control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding  
3 state fiscal year from the licensees in a county bears to the total  
4 tax collections under section 1207 of the Michigan liquor control  
5 code of 1998, 1998 PA 58, MCL 436.2207, in the preceding state  
6 fiscal year from all counties in which convention hotels are not  
7 located.

8 (d) For fiscal years ending before October 1, 2015, the  
9 remaining money available after distributions under subdivisions  
10 (a), (b), and (c) shall be distributed to each county in the  
11 following amounts:

12 (i) The amount of money available to be distributed under this  
13 subdivision multiplied by the percentage of collections in the  
14 preceding state fiscal year under section 1207 of the Michigan  
15 liquor control code of 1998, 1998 PA 58, MCL 436.2207, from  
16 licensees in counties in which convention hotels are not located  
17 shall be distributed to each county in which convention hotels are  
18 not located in the same proportion that the amount of tax collected  
19 pursuant to section 1207 of the Michigan liquor control code of  
20 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year  
21 from licensees in that county bears to the total tax collections  
22 from section 1207 of the Michigan liquor control code of 1998, 1998  
23 PA 58, MCL 436.2207, in the preceding state fiscal year from all  
24 counties in which convention hotels are not located.

25 (ii) The amount of money available to be distributed under this  
26 subdivision multiplied by the percentage of collections in the  
27 preceding state fiscal year under section 1207 of the Michigan

1 liquor control code of 1998, 1998 PA 58, MCL 436.2207, from  
2 licensees in counties in which convention hotels are located shall  
3 be distributed to each county in which convention hotels are  
4 located in the same proportion that the amount of tax collected  
5 pursuant to section 1207 of the Michigan liquor control code of  
6 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year  
7 from licensees in that county bears to the total tax collections  
8 from section 1207 of the Michigan liquor control code of 1998, 1998  
9 PA 58, MCL 436.2207, in the preceding state fiscal year from all  
10 counties in which convention hotels are located. However, in the  
11 calculation of the proportion represented by a county's share of  
12 distributions under this subparagraph, the amount of the tax  
13 collected from licensees in the qualified local governmental unit  
14 that received distributions under section 9 in fiscal year 2007-  
15 2008 shall not be included.

16 (e) For the fiscal year ending September 30, 2016, an amount  
17 equal to the product of the total amount of tax collected under  
18 section 1207 of the Michigan liquor control code of 1998, 1998 PA  
19 58, MCL 436.2207, and distributed to all counties in the 2014-2015  
20 fiscal year multiplied by 1.01 shall be distributed to all counties  
21 as provided in this subdivision. For fiscal years beginning after  
22 September 30, 2016, an amount equal to the product of the amount of  
23 liquor tax distributions in the immediately preceding fiscal year  
24 multiplied by 1.01, not to exceed the total amount of tax collected  
25 under section 1207 of the Michigan liquor control code of 1998,  
26 1998 PA 58, MCL 436.2207, shall be distributed to counties.  
27 Distributions to each county under this subdivision shall be

1   calculated as follows:

2           (i) The amount of money available to be distributed under this  
3   subdivision multiplied by the percentage of collections in the  
4   immediately preceding state fiscal year under section 1207 of the  
5   Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207,  
6   from licensees in counties in which convention hotels are not  
7   located shall be distributed to each county in which convention  
8   hotels are not located in the same proportion that the amount of  
9   tax collected pursuant to section 1207 of the Michigan liquor  
10   control code of 1998, 1998 PA 58, MCL 436.2207, in the immediately  
11   preceding state fiscal year from licensees in that county bears to  
12   the total tax collections from section 1207 of the Michigan liquor  
13   control code of 1998, 1998 PA 58, MCL 436.2207, in the immediately  
14   preceding state fiscal year from all counties in which convention  
15   hotels are not located.

16           (ii) The amount of money available to be distributed under this  
17   subdivision multiplied by the percentage of collections in the  
18   immediately preceding state fiscal year under section 1207 of the  
19   Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207,  
20   from licensees in counties in which convention hotels are located  
21   shall be distributed to each county in which convention hotels are  
22   located in the same proportion that the amount of tax collected  
23   pursuant to section 1207 of the Michigan liquor control code of  
24   1998, 1998 PA 58, MCL 436.2207, in the immediately preceding state  
25   fiscal year from licensees in that county bears to the total tax  
26   collections from section 1207 of the Michigan liquor control code  
27   of 1998, 1998 PA 58, MCL 436.2207, in the immediately preceding

1 state fiscal year from all counties in which convention hotels are  
2 located. However, in the calculation of the proportion represented  
3 by a county's share of distributions under this subparagraph, the  
4 amount of the tax collected from licensees in the qualified local  
5 governmental unit that received distributions under section 9 in  
6 the 2007-2008 state fiscal year shall not be included.

7 (f) Beginning with the fiscal year ending on September 30,  
8 2016, and each fiscal year thereafter, if the revenue in the  
9 convention facility development fund exceeds the amounts  
10 distributed under section 9 and the distributions under subdivision  
11 (e), the excess shall be distributed to a qualified local  
12 governmental unit that is a metropolitan authority to be used by  
13 that qualified local governmental unit only for the retirement of  
14 outstanding bonds, obligations, or other evidences of indebtedness  
15 incurred for which distributions under section 9 are pledged and  
16 for a qualified governmental unit that is a metropolitan authority  
17 or next for the payment of any unfunded operational deficit costs  
18 incurred during the prior fiscal year by a metropolitan authority  
19 created under the regional convention facility authority act, **2008**  
20 **PA 554, MCL 141.1351 TO 141.1379**, for the operation of a qualified  
21 convention facility under that act.

22 (3) A distribution to a county pursuant to this section shall  
23 be included for purposes of the calculations required to be made by  
24 section 24e of the general property tax act, 1893 PA 206, MCL  
25 211.24e. If the governing body of a taxing unit approves the  
26 additional millage rate under section 24e of the general property  
27 tax act, 1893 PA 206, MCL 211.24e, which is due to distributions

1 pursuant to this section, then an amount equal to 50% of the  
2 distribution under this section shall be used for substance abuse  
3 treatment within the taxing unit.

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