

SENATE BILL No. 1277

April 21, 2010, Introduced by Senator THOMAS and referred to the Committee on Appropriations.

A bill to amend 1985 PA 106, entitled
"State convention facility development act,"
by amending section 10 (MCL 207.630), as amended by 2009 PA 61.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

8 (a) For each of the following fiscal years, the following
9 amounts shall be distributed to a metropolitan authority created

1 under the regional convention facility authority act, 2008 PA 554,
2 MCL 141.1351 to 141.1379, for the operational deficit costs of a
3 qualified convention facility operated by the authority under that
4 act for purposes authorized under that act:

5 (i) \$11,000,000.00 each fiscal year for the fiscal years ending
6 September 30, 2010 and ~~September~~**JUNE** 30, 2011.

7 (ii) \$9,000,000.00 each fiscal year for the fiscal years ending
8 ~~September~~**JUNE** 30, 2012 and ~~September~~**JUNE** 30, 2013.

9 (iii) \$8,000,000.00 each fiscal year for the fiscal years ending
10 ~~September~~**JUNE** 30, 2014 and ~~September~~**JUNE** 30, 2015.

11 (iv) \$7,000,000.00 for the fiscal year ending ~~September~~**JUNE**
12 30, 2016.

13 (v) \$6,000,000.00 for the fiscal year ending ~~September~~**JUNE**
14 30, 2017.

15 (vi) \$5,000,000.00 each fiscal year for the fiscal years ending
16 ~~September~~**JUNE** 30, 2018 and ~~September~~**JUNE** 30, 2019.

17 (vii) \$5,000,000.00 for the fiscal year ending ~~September~~**JUNE**
18 30, 2020.

19 (viii) \$5,000,000.00 for the fiscal year ending ~~September~~**JUNE**
20 30, 2021.

21 (ix) \$5,000,000.00 for the fiscal year ending ~~September~~**JUNE**
22 30, 2022.

23 (x) \$5,000,000.00 for the fiscal year ending ~~September~~**JUNE**
24 30, 2023.

25 (b) For fiscal years ending before October 1, 2009, an amount
26 equal to the difference, if any, between the tax imposed under this
27 act in the preceding state fiscal year that is designated under

1 section 9 to a qualified local governmental unit and the tax
2 imposed under this act that is designated under section 9 in the
3 state fiscal year immediately preceding the preceding state fiscal
4 year for the same local governmental unit shall be distributed to
5 that local governmental unit. This subdivision does not apply
6 unless a tax has been imposed under this act in the entire 2 state
7 fiscal years immediately preceding the state fiscal year in which a
8 distribution under this subdivision is made. Any amount distributed
9 under this subdivision shall be used by the local governmental unit
10 only for the retirement of outstanding bonds, obligations, or other
11 evidences of indebtedness incurred for which distributions under
12 section 9 are pledged. A distribution under this subdivision shall
13 not be made to the extent that the obligations, bonds, or other
14 evidences of indebtedness cannot be retired or are not outstanding.

15 (c) For fiscal years ending before October 1, 2015, an amount
16 equal to that portion of the liquor tax collected under section
17 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL
18 436.2207, from licensees in counties in which convention hotels are
19 not located shall be distributed to those counties in which
20 convention hotels are not located in the same proportion that the
21 amount of tax collected under section 1207 of the Michigan liquor
22 control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding
23 state fiscal year from the licensees in a county bears to the total
24 tax collections under section 1207 of the Michigan liquor control
25 code of 1998, 1998 PA 58, MCL 436.2207, in the preceding state
26 fiscal year from all counties in which convention hotels are not
27 located.

1 (d) For fiscal years ending before ~~October~~ **JULY** 1, 2015, and
2 for fiscal years ending after ~~October~~ **JULY** 1, 2015 if the transfer
3 and lease of a qualified convention facility to an authority is
4 disapproved and the authority is dissolved under section 19(1) of
5 the regional convention facility authority act, 2008 PA 554, MCL
6 141.1369, the remaining money available after distributions under
7 subdivisions (a), (b), and (c) shall be distributed to each county
8 in the following amounts:

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

22 (ii) The amount of money available to be distributed under this
23 subdivision multiplied by the percentage of collections in the
24 preceding state fiscal year under section 1207 of the Michigan
25 liquor control code of 1998, 1998 PA 58, MCL 436.2207, from
26 licensees in counties in which convention hotels are located shall
27 be distributed to each county in which convention hotels are

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

13 (e) For the fiscal year ending ~~September~~**JUNE** 30, 2016, an
14 amount equal to the product of the total amount of tax collected
15 under section 1207 of the Michigan liquor control code of 1998,
16 1998 PA 58, MCL 436.2207, and distributed to all counties in the
17 2014-2015 fiscal year multiplied by 1.01 shall be distributed to
18 all counties as provided in this subdivision. For fiscal years
19 beginning after ~~September~~**JUNE** 30, 2016, an amount equal to the
20 product of the amount of liquor tax distributions in the
21 immediately preceding fiscal year multiplied by 1.01, not to exceed
22 the total amount of tax collected under section 1207 of the
23 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207,
24 shall be distributed to counties. This subdivision does not apply
25 if the transfer and lease of a qualified convention facility to an
26 authority is disapproved and the authority is dissolved under
27 section 19(1) of the regional convention facility authority act,

2008 PA 554, MCL 141.1369. Distributions to each county under this subdivision shall be calculated as follows:

(i) The amount of money available to be distributed under this subdivision multiplied by the percentage of collections in the immediately 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 immediately 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 immediately 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 immediately 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 immediately preceding state fiscal year from licensees in that county bears to the total tax collections from section 1207 of the Michigan liquor control code

1 of 1998, 1998 PA 58, MCL 436.2207, in the immediately preceding
2 state fiscal year from all counties in which convention hotels are
3 located. However, in the calculation of the proportion represented
4 by a county's share of distributions under this subparagraph, the
5 amount of the tax collected from licensees in the qualified local
6 governmental unit that received distributions under section 9 in
7 the 2007-2008 state fiscal year shall not be included.

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

23 (g) Except as otherwise provided in subdivision (h), for the
24 fiscal year ending September 30, 2009, \$9,400,000.00 shall be
25 distributed to a metropolitan authority created under the regional
26 convention facility authority act, 2008 PA 554, MCL 141.1351 to
27 141.1379, for the costs incurred by the authority for the

1 implementation of that act, creation of the authority, and transfer
2 or lease of a qualified convention facility to the authority, and
3 other costs relating to the management, operation, and development
4 of a qualified convention facility.

5 (h) If the transfer and lease of a qualified convention
6 facility to an authority is disapproved and the authority is
7 dissolved under section 19(1) of the regional convention facility
8 authority act, 2008 PA 554, MCL 141.1369, then for the fiscal year
9 ending September 30, 2009, \$9,400,000.00 shall be distributed to a
10 building authority for a county having a population of not less
11 than 1,000,000 and not more than 1,500,000 according to the most
12 recent federal decennial census for costs relating to the
13 management, operation, and development of a convention facility.

14 (3) A distribution to a county pursuant to this section shall
15 be included for purposes of the calculations required to be made by
16 section 24e of the general property tax act, 1893 PA 206, MCL
17 211.24e. If the governing body of a taxing unit approves the
18 additional millage rate under section 24e of the general property
19 tax act, 1893 PA 206, MCL 211.24e, which is due to distributions
20 pursuant to this section, then an amount equal to 50% of the
21 distribution under this section shall be used for substance abuse
22 treatment within the taxing unit.

23 (4) Beginning October 1, 2007 and each year thereafter, from
24 the revenue collected during the previous quarter, after
25 distributing the monthly payments under section 9(1), the state
26 treasurer shall make quarterly distributions under subsection
27 (2)(b) and (c) or under subsection (2)(e). From the revenue

1 collected in the last quarter of the state fiscal year, the state
2 treasurer shall make the distribution under subsection (2)(a) prior
3 to any distributions under subsection (2)(b) and (c) or (e).

4 Enacting section 1. This amendatory act does not take effect
5 unless Senate Bill No. 1281

6 of the 95th Legislature is enacted into law.