



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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Senate Bill 523 (Substitute S-2 as reported by the Committee of the Whole)  
Sponsor: Senator Tom Casperson  
Committee: Commerce

### **CONTENT**

The bill would amend the State Convention Facility Development Act to do the following:

- Create the "Michigan Tourism and Sports Fund".
- Allocate to the proposed Fund and to counties money from the Convention Facility Development Fund.
- Require the Department of Treasury to spend money from the proposed Fund to the Great Lakes Sports Commission for the development or improvement of facilities or for events promoting tourism and recreation in Michigan.
- Require the Commission to submit a report by March 1 annually to the House and Senate Appropriations Committees.
- Specify the information that the report would have to include, such as the number of applicants who requested money from the Fund, and the applicants who received money from the Fund.

Section 10(2)(f) of the Act specifies that, each fiscal year, if revenue in the Convention Facility Development Fund exceeds amounts distributed from the Fund to a qualified local unit and from the additional 4% tax imposed under the Michigan Liquor Control Code, the excess must be distributed to a metropolitan authority for the retirement of debt. Under the bill, beginning in fiscal year 2017-18, and in each subsequent fiscal year, the excess would have to be distributed as follows:

- One-third, for deposit into the Michigan Tourism and Sports Fund.
- One-third, to each county in the State in the same proportion as the money is distributed from the additional 4% tax under the Liquor Control Code.
- The remaining one-third, as provided in Section 10(2)(f)

MCL 207.629

Legislative Analyst: Jeff Mann

### **FISCAL IMPACT**

The bill would have no overall impact on the State, but would have an impact on the distribution of funds from the Convention Facility Development Fund. Also, the bill would increase revenue to counties.

All money deposited in that Fund is distributed by the end of the fiscal year. The bill would divert to the Michigan Tourism and Sports Fund one third from excess payments made to the Detroit Regional Convention Facility Authority to pay down more debt obligations and another third to extra payments to counties under the current formula. The remaining third would continue to be distributed to the Detroit Regional Convention Facility Authority. The Authority operates the Cobo Center and is responsible for its debt obligations. Due to increases in

revenue generated for the existing Fund, as well as scheduled decreases in debt obligations and operations expenses for the Authority in the future, it is likely that there would continue to be additional revenue distributed to counties. In FY 2016-17, the Fund made \$18,430,135 in excess payments to the Authority. Under the bill's proposed distribution, the additional payment to the Authority would be reduced by \$12,286,756. Half of that amount would go to the Michigan Tourism and Sports Fund and the other half would go to counties.

The Michigan Tourism and Sports Fund would hold the \$6,143,378 until it was spent by the State Treasurer to the Great Lakes Sports Commission for the development or improvement of facilities or for sporting event promotion and recreation. Any balance at the end of the fiscal year would remain in the Fund.

Date Completed: 3-1-18

Fiscal Analyst: Cory Savino