



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 523 (Substitute S-1 as reported)
Sponsor: Senator Tom Casperson
Committee: Commerce

CONTENT

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

- Create the "Northern Michigan Regional Tourism and Sports Fund".
- Require the Department of Treasury to spend money from the Fund to the Great Lakes Sports Commission for the development or improvement of facilities or for events promoting tourism and recreation in northern Michigan.
- Require, for fiscal years 2017-18 through 2026-27, \$1.9 million each fiscal year to be distributed to the Fund from the Convention Facility Development Fund.

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. All money deposited in that Fund is distributed by the end of the fiscal year. For fiscal years 2017-18 through 2026-27, the bill would divert \$1.9 million each year from excess payments made to the Detroit Regional Convention Facility Authority to pay down more debt obligations. 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 Detroit Regional Convention Facility Authority in the future, it is likely that there would be sufficient revenue to cover the \$1.9 million payments without affecting the other distributions made to the Detroit Regional Convention Facility Authority and counties. However, in the event that funds were insufficient to cover all distributions in future years, the \$1.9 million payment to the Northern Michigan Regional Tourism and Sports Fund would be the first distribution subject to decreases in the payment amount.

The Northern Michigan Regional Tourism and Sports Fund would hold the \$1.9 million until spent by the State Treasurer to the Great Lakes Sports Commission for the development or improvement of facilities or for sporting event promotion.

Date Completed: 9-29-17

Fiscal Analyst: Cory Savino