

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6119

A bill to amend 1985 PA 106, entitled
"State convention facility development act,"
by amending section 10 (MCL 207.630), as amended by 2010 PA 207.

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 **subsection (5) and** section 9 shall be distributed pursuant to
5 subsection (2).

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

9 (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 for purposes authorized under that act:

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

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

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

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

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

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

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

(ii) \$7,000,000.00 for the fiscal year ending September 30, 2020 for the impact on operational costs resulting from the COVID-19 virus and related measures to protect public safety.

~~(iii) (viii) \$5,000,000.00 \$8,000,000.00 for the fiscal year ending September 30, 2021.~~

~~(iv) (ix) \$5,000,000.00 \$8,000,000.00 for the fiscal year ending September 30, 2022.~~

~~(v) (x) \$5,000,000.00 \$7,000,000.00 for the fiscal year ending September 30, 2023.~~

1 (vi) \$6,000,000.00 for the fiscal year ending September 30,
2 2024.

3 (vii) \$5,000,000.00 for the fiscal year ending September 30,
4 2025.

5 ~~(b) For fiscal years ending before October 1, 2009, an amount~~
6 ~~equal to the difference, if any, between the tax imposed under this~~
7 ~~act in the preceding state fiscal year that is designated under~~
8 ~~section 9 to a qualified local governmental unit and the tax~~
9 ~~imposed under this act that is designated under section 9 in the~~
10 ~~state fiscal year immediately preceding the preceding state fiscal~~
11 ~~year for the same local governmental unit shall be distributed to~~
12 ~~that local governmental unit. This subdivision does not apply~~
13 ~~unless a tax has been imposed under this act in the entire 2 state~~
14 ~~fiscal years immediately preceding the state fiscal year in which a~~
15 ~~distribution under this subdivision is made. Any amount distributed~~
16 ~~under this subdivision shall be used by the local governmental unit~~
17 ~~only for the retirement of outstanding bonds, obligations, or other~~
18 ~~evidences of indebtedness incurred for which distributions under~~
19 ~~section 9 are pledged. A distribution under this subdivision shall~~
20 ~~not be made to the extent that the obligations, bonds, or other~~
21 ~~evidences of indebtedness cannot be 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~~
28 ~~amount of tax collected under section 1207 of the Michigan liquor~~
29 ~~control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding~~

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

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

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

23 ~~(ii) The amount of money available to be distributed under this~~
24 ~~subdivision multiplied by the percentage of collections in the~~
25 ~~preceding state fiscal year under section 1207 of the Michigan~~
26 ~~liquor control code of 1998, 1998 PA 58, MCL 436.2207, from~~
27 ~~licensees in counties in which convention hotels are located shall~~
28 ~~be distributed to each county in which convention hotels are~~
29 ~~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 fiscal year 2007-2008 shall not be included.~~

~~(b) (c) For the fiscal year ending September 30, 2016, an amount equal to the product of the total amount of tax collected under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, and distributed to all counties in the 2014-2015 fiscal year multiplied by 1.01 shall be distributed to all counties as provided in this subdivision.~~ For fiscal years beginning after September 30, 2016, an amount equal to the product of the amount of liquor tax distributions in the immediately preceding fiscal year multiplied by 1.01, not to exceed the total amount of tax collected under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, shall be distributed to counties. 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

1 located shall be distributed to each county in which convention
2 hotels are not located in the same proportion that the amount of
3 tax collected pursuant to section 1207 of the Michigan liquor
4 control code of 1998, 1998 PA 58, MCL 436.2207, in the immediately
5 preceding state fiscal year from licensees in that county bears to
6 the total tax collections from section 1207 of the Michigan liquor
7 control code of 1998, 1998 PA 58, MCL 436.2207, in the immediately
8 preceding state fiscal year from all counties in which convention
9 hotels are not located.

10 (ii) The amount of money available to be distributed under this
11 subdivision multiplied by the percentage of collections in the
12 immediately preceding state fiscal year under section 1207 of the
13 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207,
14 from licensees in counties in which convention hotels are located
15 shall be distributed to each county in which convention hotels are
16 located in the same proportion that the amount of tax collected
17 pursuant to section 1207 of the Michigan liquor control code of
18 1998, 1998 PA 58, MCL 436.2207, in the immediately preceding state
19 fiscal year from licensees in that county bears to the total tax
20 collections from section 1207 of the Michigan liquor control code
21 of 1998, 1998 PA 58, MCL 436.2207, in the immediately preceding
22 state fiscal year from all counties in which convention hotels are
23 located. However, in the calculation of the proportion represented
24 by a county's share of distributions under this subparagraph, the
25 amount of the tax collected from licensees in the qualified local
26 governmental unit that received distributions under section 9 in
27 the 2007-2008 state fiscal year shall not be included.

28 (c) For each fiscal year beginning with the fiscal year ending
29 on September 30, 2020 through the fiscal year ending on September

1 30, 2022, if the revenue in the convention facility development
2 fund exceeds the amount distributed under section 9, subsection
3 (5), and any distributions under subdivisions (a) and (b), up to
4 \$5,000,000.00 must be distributed to the operator of a street
5 railway system for the operations of a street railway system as
6 defined in section 507 of the recodified tax increment financing
7 act, 2018 PA 57, MCL 125.4507.

8 (d) For the fiscal year ending September 30, 2021 only, if the
9 revenue in the convention facility development fund exceeds the
10 amount distributed under section 9, subsection (5), and any
11 distributions under subdivisions (a), (b), and (c), up to
12 \$4,000,000.00 must be distributed from the convention facility
13 development fund to the Michigan strategic fund created under the
14 Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094,
15 for the purpose of awarding grants to convention centers negatively
16 impacted by the COVID-19 virus and related measures to protect
17 public safety. All the following apply to the grant program
18 described in this subdivision:

19 (i) The Michigan strategic fund shall develop an application
20 process by December 1, 2020 and award grants under this subdivision
21 no later than May 1, 2021.

22 (ii) An eligible convention center under this subdivision
23 includes only a publicly owned facility of at least 10,000 square
24 foot that is generally available to members of the public for lease
25 or rental on a short-term basis for holding conventions, meetings,
26 exhibits, and similar events, and that has any combination of
27 convention hall, auditorium, meeting rooms, and exhibition areas
28 that are separate and distinct and contiguous to each other, and
29 that does not receive funding under subdivision (a).

(iii) The Michigan strategic fund cannot award more than \$1,000,000.00 to any 1 eligible convention center under this subdivision.

(iv) An eligible convention center receiving funding under this subdivision must report how the grant dollars were spent by September 30, 2021 or return the funds.

(e) ~~(f) Beginning~~ Except as provided in subdivision (f), beginning with the fiscal year ending on September 30, 2016, and each fiscal year thereafter other than the fiscal year ending September 30, 2020, if the revenue in the convention facility development fund exceeds the amounts distributed under section 9, subsection (5), and the distributions under ~~subdivision (e),~~ subdivisions (a), (b), (c), and (d), the excess ~~shall~~ must be distributed to a qualified local governmental unit that is a metropolitan authority to be used by that qualified 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 and for a qualified governmental unit that is a metropolitan authority. ~~or next for the payment of any unfunded operational deficit costs incurred during the prior fiscal year by a metropolitan authority created under the regional convention facility authority act, 2008 PA 554, MCL 141.1351 to 141.1379, for the operation of a qualified convention facility under that act.~~

~~(g) For the fiscal year ending September 30, 2009, \$9,400,000.00 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 costs incurred by the authority for the implementation of that act, creation of the~~

1 ~~authority, and transfer or lease of a qualified convention facility~~
2 ~~to the authority, and other costs relating to the management,~~
3 ~~operation, and development of a qualified convention facility.~~

4 ~~(h) For the fiscal year ending September 30, 2009,~~
5 ~~\$6,600,000.00 shall be distributed to the general fund of this~~
6 ~~state.~~

7 ~~(i) For the fiscal year ending September 30, 2010,~~
8 ~~\$5,000,000.00 shall be distributed to the general fund of this~~
9 ~~state and shall be expended in the fiscal year ending September 30,~~
10 ~~2011.~~

11 (f) For the fiscal year ending on September 30, 2021 and the
12 fiscal year ending on September 30, 2022, the amount distributed
13 under subdivision (e) from the convention facility development fund
14 to a qualified local governmental unit that is a metropolitan
15 authority to be used by that qualified local governmental unit only
16 for the retirement of outstanding bonds, obligations, or other
17 evidences of indebtedness incurred must not exceed \$5,000,000.00.

18 (g) For the fiscal year ending on September 30, 2020, if the
19 revenue in the convention facility development fund exceeds the
20 amounts distributed under section 9, subsection (5), and the
21 distributions under subdivisions (a), (b), (c), and (d), the excess
22 must be distributed to a qualified local governmental unit to be
23 reserved for expenditures authorized by the regional convention
24 facility authority act, 2008 PA 554, MCL 141.1351 to 141.1379. For
25 the fiscal year ending on September 30, 2021 and the fiscal year
26 ending on September 30, 2022, if the revenue in the convention
27 facility development fund exceeds the amounts distributed under
28 section 9 and the distributions under subdivisions (a) to (e), the
29 excess must be distributed to a qualified local governmental unit

1 to be reserved for expenditures authorized by the regional
 2 convention facility authority act, 2008 PA 554, MCL 141.1351 to
 3 141.1379.

4 (3) A distribution to a county pursuant to this section shall
 5 be included for purposes of the calculations required to be made by
 6 section 24e of the general property tax act, 1893 PA 206, MCL
 7 211.24e. If the governing body of a taxing unit approves the
 8 additional millage rate under section 24e of the general property
 9 tax act, 1893 PA 206, MCL 211.24e, which is due to distributions
 10 pursuant to this section, then an amount equal to 50% of the
 11 distribution under this section ~~shall~~**must** be used for substance
 12 abuse treatment within the taxing unit.

13 (4) ~~Beginning October 1, 2007 and each~~**Each** year, thereafter,
 14 from the revenue collected during the previous quarter, after
 15 distributing the monthly payments under section 9(1), the state
 16 treasurer shall make quarterly distributions under ~~subsection~~
 17 ~~(2)(c) and (d) or under subsection (2)(c) and (f).~~ From the revenue
 18 ~~collected in the last quarter of the state fiscal year, the state~~
 19 ~~treasurer shall make the distribution under subsection (2)(a) and~~
 20 ~~(b) prior to any distributions under subsection (2)(c) or (d) or~~
 21 ~~under subsection (2)(c) and (f).~~**subsections (2) and (5).**

22 (5) **For the fiscal year ending September 30, 2020 only, prior**
 23 **to the distributions required under subsection (2), \$10,000,000.00**
 24 **of the money in the convention facility development fund is**
 25 **transferred and must be deposited into the general fund.**