

SENATE BILL NO. 1223

November 10, 2022, Introduced by Senator SCHMIDT and referred to the Committee on Economic and Small Business Development.

A bill to amend 1985 PA 106, entitled "State convention facility development act," by amending sections 3, 9, 10, 11, 12, and 20 (MCL 207.623, 207.629, 207.630, 207.631, 207.632, and 207.640), sections 3, 9, and 12 as amended by 2009 PA 61, section 10 as amended by 2020 PA 205, section 11 as amended by 2002 PA 237, and section 20 as amended by 2008 PA 553.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

1 (a) "Accommodations" means the room or other space provided to
2 transient guests for dwelling, lodging, or sleeping, including
3 furnishings and other accessories, in a facility that is not a
4 campground, hospital, nursing home, emergency shelter, or community
5 mental health or community substance abuse treatment facility.
6 Accommodations do not include food or beverages.

7 (b) "Commissioner" means the state treasurer.

8 (c) "Convention facility" means 1 or more facilities owned or
9 leased by a local governmental unit or metropolitan authority
10 created under the regional convention facility authority act, 2008
11 PA 554, MCL 141.1351 to 141.1379, that are any combination of a
12 convention hall, auditorium, meeting rooms, and exhibition areas
13 that are separate and distinct and contiguous to each other, and
14 related adjacent public areas generally available to members of the
15 public for lease on a short-term basis for holding conventions,
16 meetings, exhibits, and similar events and the necessary site or
17 sites, together with appurtenant properties necessary and
18 convenient for use in connection with the facility. Convention
19 facility includes a qualified convention facility as defined under
20 section 5 of the regional convention facility authority act, 2008
21 PA 554, MCL 141.1355.

22 (d) "Convention hotel" means a facility used in the business
23 of providing accommodations that has more than 80 rooms for
24 providing accommodations to transient guests and that complies with
25 all of the following:

26 (i) ~~Located~~ **Is located** within a county having a population
27 according to the most recent decennial census of 700,000 or more.

28 (ii) ~~Located~~ **Is located** within a county that is 1 or more of
29 the following:

1 (A) A county that has a convention facility with 350,000
2 square feet or more of total exhibit space.

3 (B) A county that has 2,000 or more rooms to provide
4 accommodations for transient guests.

5 (e) "Local governmental unit" means a county, township, city,
6 village, or a metropolitan authority formed under the regional
7 convention facility authority act, 2008 PA 554, MCL 141.1351 to
8 141.1379.

9 (f) "Person" means a natural person, partnership, limited
10 partnership, fiduciary, association, corporation, limited liability
11 company, or other entity.

12 **(g) "Public-private arrangement" means a public-private**
13 **arrangement authorized under the regional convention facility**
14 **authority act, 2008 PA 554, MCL 141.1351 to 141.1379.**

15 **(h)** ~~(g)~~—"Room charge" means the charge imposed for the use or
16 occupancy of accommodations, excluding charges for food, beverages,
17 telephone services, the use tax imposed under the use tax act, 1937
18 PA 94, MCL 205.91 to 205.111, or like services paid in connection
19 with the charge. Room charge does not include reimbursement of the
20 assessment imposed by the community convention or tourism marketing
21 act, 1980 PA 395, MCL 141.871 to 141.880, the convention and
22 tourism marketing act, 1980 PA 383, MCL 141.881 to 141.889, or this
23 act.

24 **(i)** ~~(h)~~—"Transient guest" means a natural person staying less
25 than 30 consecutive days.

26 Sec. 9. (1) Except as provided in subsection (5) or (6), on or
27 before the thirtieth day of each month, the state treasurer shall
28 make a distribution from the convention facility development fund
29 to a qualified local governmental unit. The distribution shall be

1 an amount equal to the sum of the collections from the excise tax
2 levied for accommodations under this act for the previous month
3 from the convention hotels in the county in which the convention
4 facility is or is to be located and in any county in which
5 convention hotels are located that is contiguous to the county in
6 which the convention facility is located, or is to be located, the
7 additional tax imposed under section 1207 of the Michigan liquor
8 control code of 1998, 1998 PA 58, MCL 436.2207, for the previous
9 month received in the fund, and any distribution received under
10 section 5(b) (iii) of the health and safety fund act, 1987 PA 264, MCL
11 141.475, and from the 21st century jobs trust fund under section
12 8(4). However, distributions for any state fiscal year to any
13 qualified local governmental unit under this section shall not
14 exceed an amount equal to the amount pledged, assigned, or
15 dedicated by the qualified local governmental unit ~~pursuant to~~
16 ~~section 11~~ for the payment during that state fiscal year of bonds,
17 obligations, or other evidences of indebtedness incurred ~~for the~~
18 ~~purposes specified in~~ **pursuant to** this act or the regional
19 convention facility authority act, 2008 PA 554, MCL 141.1351 to
20 141.1379, ~~plus operating deficit cost expenditures and other~~
21 ~~expenditures authorized under section 10,~~ **other than payments under**
22 **a public-private arrangement**, plus any amount necessary to maintain
23 a fully funded debt reserve or other reserves intended to secure
24 the principal and interest on the bonds, obligations, or other
25 evidences of indebtedness as contained in the resolution or
26 ordinance authorizing their issuance.

27 (2) Notwithstanding the distributions provided by subsection
28 (1), if a local governmental unit becomes a qualified local
29 governmental unit entitled to receive distributions from the tax

1 imposed under section 1207 of the Michigan liquor control code of
2 1998, 1998 PA 58, MCL 436.2207, or from the tax imposed by this act
3 in counties in which the convention facility is located or in a
4 county in which a convention hotel is located that is contiguous to
5 the county in which the convention facility is located, and from
6 any distribution under section 5(b) (iii) of the health and safety
7 fund act, 1987 PA 264, MCL 141.475, no other qualified local
8 governmental unit is entitled to distributions pursuant to this
9 section for which that qualified local governmental unit has
10 previously become entitled, until such time as that qualified local
11 governmental unit ownership or leasehold interest described in
12 subsection (3) is transferred to another local governmental unit.
13 If that transfer renders the transferee a qualified local
14 governmental unit, the transferee ~~shall~~, **is**, immediately upon that
15 transfer, ~~be~~ entitled to the distributions to a qualified local
16 governmental unit provided in subsection (1) and the priority
17 provided to a qualified local governmental unit in this subsection,
18 notwithstanding that the amount of the distributions may increase
19 as a result of that transfer. A transfer under this subsection
20 includes a transfer that occurs on a transfer date under the
21 regional convention facility authority act, 2008 PA 554, MCL
22 141.1351 to 141.1379.

23 (3) Notwithstanding the provisions of subsection (2), if the
24 transfer and lease of a qualified convention facility to an
25 authority is disapproved and the authority is dissolved under
26 section 19(1) of the regional convention facility authority act,
27 2008 PA 554, MCL 141.1369, then a distribution from the convention
28 facility development fund of proceeds received under section
29 5(b) (iii) of the health and safety fund act, 1987 PA 264, MCL

1 141.475, shall be made to a building authority for a county having
2 a population of not less than 1,000,000 and not more than 1,500,000
3 according to the most recent federal decennial census for the
4 purpose of developing, leasing, or operating a convention facility
5 as defined in this act and no other qualified local governmental
6 unit is entitled to any distribution of proceeds received under
7 section 5(b) (iii) of the health and safety fund act, 1987 PA 264, MCL
8 141.475.

9 (4) As used in this act, "qualified local governmental unit"
10 means, except as otherwise provided in this subsection, a city,
11 village, township, county, or authority that is located in, or
12 includes within its territory or jurisdiction, a county in which
13 convention hotels are located and that either is the owner or
14 lessee of a convention facility with 350,000 square feet or more of
15 total exhibit space on July 30, 1985 or, if such a convention
16 facility does not exist, will be the owner or lessee of a
17 convention facility with 350,000 square feet or more of total
18 exhibit space through the application of distributions under this
19 section to the purchase or lease of a convention facility.
20 Qualified local governmental unit includes a metropolitan authority
21 that leases, develops, operates, and maintains a qualified
22 convention facility under the regional convention facility
23 authority act, 2008 PA 554, MCL 141.1351 to 141.1379. If the
24 transfer and lease of a qualified convention facility to an
25 authority is disapproved and the authority is dissolved under
26 section 19(1) of the regional convention facility authority act,
27 2008 PA 554, MCL 141.1369, then for purposes of any distribution
28 from the convention facility development of proceeds under section
29 5(b) (iii) of the health and safety fund act, 1987 PA 264, MCL

1 141.475, qualified local governmental unit means a building
2 authority for a county having a population of not less than
3 1,000,000 and not more than 1,500,000 according to the most recent
4 federal decennial census.

5 (5) Before the 2015-2016 fiscal year, collections from the
6 excise tax levied for accommodations under this act and collections
7 from the tax imposed under section 1207 of the Michigan liquor
8 control code of 1998, 1998 PA 58, MCL 436.2207, shall not be paid
9 to a qualified local governmental unit for the repayment of bonds,
10 obligations, or other evidences of indebtedness incurred after
11 2007.

12 (6) Beginning in fiscal year 2015-2016, and each fiscal year
13 thereafter, if a transfer and a lease of a qualified convention
14 facility is disapproved and an authority is dissolved under section
15 19(1) of the regional convention facility authority act, 2008 PA
16 554, MCL 141.1369, then the collections from the excise tax levied
17 for accommodations under this act shall be distributed to each
18 county in which it was levied based on the amount collected in that
19 county. However, if an excise tax for accommodations is levied in a
20 qualified city at a rate greater than the rate levied in that
21 portion of the county in which the qualified city is not located,
22 the qualified city shall receive the collections of the excise tax
23 for accommodations in an amount equal to the difference between the
24 rate levied in the qualified city and the rate levied in that
25 portion of the county in which the qualified city is not located.
26 The funds described in this subsection are not available for a
27 distribution of subsection (1). As used in this subsection,
28 "qualified city" means that term as defined in section 5 of the
29 regional convention facility authority act, 2008 PA 554, MCL

1 141.1355.

2 (7) If a building authority becomes a qualified local
3 governmental unit under subsection (4), collections from
4 distributions under section 5(b) (iii) of the health and safety fund
5 act, 1987 PA 264, MCL 141.475, shall be paid by the state treasurer
6 on or before the thirtieth day of each month to that building
7 authority.

8 Sec. 10. (1) Any money remaining in the convention facility
9 development fund ~~that is not used for the bonds, obligations, or~~
10 ~~other evidences of indebtedness or other purposes as described in~~
11 **after distributions under** subsection (5) and section 9 shall be
12 distributed pursuant to subsection (2).

13 (2) Money in the convention facility development fund shall be
14 distributed as provided in subsection (4) in the following order of
15 priority in the following amounts:

16 (a) For each of the following fiscal years, the following
17 amounts shall be distributed to a metropolitan authority created
18 under the regional convention facility authority act, 2008 PA 554,
19 MCL 141.1351 to 141.1379, for the operational deficit costs of a
20 qualified convention facility operated by the authority under that
21 act for purposes authorized under that act:

22 (i) \$5,000,000.00 for the fiscal year ending September 30,
23 2020.

24 (ii) \$7,000,000.00 for the fiscal year ending September 30,
25 2020 for the impact on operational costs resulting from the COVID-
26 19 virus and related measures to protect public safety.

27 (iii) \$8,000,000.00 for the fiscal year ending September 30,
28 2021.

29 (iv) \$8,000,000.00 for the fiscal year ending September 30,

1 2022.

2 (v) \$7,000,000.00 for the fiscal year ending September 30,
3 2023.

4 (vi) \$6,000,000.00 for the fiscal year ending September 30,
5 2024.

6 (vii) \$5,000,000.00 for the fiscal year ending September 30,
7 2025.

8 (b) ~~For~~ **Except as otherwise provided in this subdivision, for**
9 fiscal years beginning after September 30, 2016, an amount equal to
10 the product of the amount of ~~liquor tax~~ distributions **of the tax**
11 **collected under section 1207 of the Michigan liquor control code of**
12 **1998, 1998 PA 58, MCL 436.2207,** in the immediately preceding fiscal
13 year multiplied by 1.01, not to exceed the total amount of tax
14 collected under section 1207 of the Michigan liquor control code of
15 1998, 1998 PA 58, MCL 436.2207, shall be distributed to counties.
16 **For the fiscal years ending September 30, 2023, September 30, 2026,**
17 **September 30, 2029, September 30, 2032, September 30, 2035, and**
18 **September 30, 2038, the amount distributed under this subdivision**
19 **shall equal the amount of the tax collected under section 1207 of**
20 **the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207,**
21 **in the immediately preceding fiscal year.** Distributions to each
22 county under this subdivision shall be calculated as follows:

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

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

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

26 (c) For each fiscal year beginning with the fiscal year ending
27 on September 30, 2020 through the fiscal year ending on September
28 30, ~~2022~~, **2039**, if the revenue in the convention facility
29 development fund exceeds the amount distributed under section 9,

1 subsection (5), and any distributions under subdivisions (a) and
2 (b), up to \$5,000,000.00 must be distributed to the operator of a
3 street railway system for the operations of a street railway system
4 as defined in section 507 of the recodified tax increment financing
5 act, 2018 PA 57, MCL 125.4507.

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

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

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

28 (iii) The Michigan strategic fund cannot award more than
29 \$1,000,000.00 to any 1 eligible convention center under this

1 subdivision.

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

5 (e) Except as provided in subdivision (f), beginning with the
6 fiscal year ending on September 30, 2016, and each fiscal year
7 thereafter other than the fiscal year ending September 30, 2020, if
8 the revenue in the convention facility development fund exceeds the
9 amounts distributed under section 9, subsection (5), and the
10 distributions under subdivisions (a), (b), (c), and (d), the excess
11 must be distributed to a qualified local governmental unit that is
12 a metropolitan authority to be used by that qualified local
13 governmental unit only for **capital expenditures, including payments**
14 **under a public-private arrangement, or** 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 (f) For the fiscal year ending on September 30, 2021 and the
19 fiscal year ending on September 30, 2022, the amount distributed
20 under subdivision (e) from the convention facility development fund
21 to a qualified local governmental unit that is a metropolitan
22 authority to be used by that qualified local governmental unit only
23 for the retirement of outstanding bonds, obligations, or other
24 evidences of indebtedness incurred must not exceed \$5,000,000.00.

25 (g) For the fiscal year ending on September 30, 2020, if the
26 revenue in the convention facility development fund exceeds the
27 amounts distributed under section 9, subsection (5), and the
28 distributions under subdivisions (a), (b), (c), and (d), the excess
29 must be distributed to a qualified local governmental unit to be

reserved for expenditures authorized by the regional convention facility authority act, 2008 PA 554, MCL 141.1351 to 141.1379. For the fiscal year ending on September 30, 2021 and the fiscal year ending on September 30, 2022, if the revenue in the convention facility development fund exceeds the amounts distributed under section 9 and the distributions under subdivisions (a) to (e), the excess must be distributed to a qualified local governmental unit to be reserved for expenditures authorized by the regional convention facility authority act, 2008 PA 554, MCL 141.1351 to 141.1379.

(3) A distribution to a county pursuant to this section shall be included for purposes of the calculations required to be made by section 24e of the general property tax act, 1893 PA 206, MCL 211.24e. If the governing body of a taxing unit approves the additional millage rate under section 24e of the general property tax act, 1893 PA 206, MCL 211.24e, ~~which~~**that** is due to distributions pursuant to this section, then an amount ~~equal to 50% of the distribution under this section~~ **not less than either of the following** must be used for substance abuse treatment within the taxing unit:

(a) 40% of the distribution under this section.

(b) The amount used for substance abuse treatment within the taxing unit in the fiscal year ending September 30, 2022.

(4) Each year, from the revenue collected during the previous quarter, after distributing the monthly payments under section 9(1), the state treasurer shall make quarterly distributions under subsections (2) and (5).

(5) For the fiscal year ending September 30, 2020 only, prior to the distributions required under subsection (2), \$10,000,000.00

1 of the money in the convention facility development fund is
2 transferred and must be deposited into the general fund.

3 Sec. 11. (1) Refunding bonds, obligations, or other evidences
4 of indebtedness described in subsection (2) are issued subject to
5 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to
6 141.2821.

7 (2) Pursuant to the revised municipal finance act, 2001 PA 34,
8 MCL 141.2101 to 141.2821, a local governmental unit may issue
9 refunding bonds, obligations, or other evidences of indebtedness to
10 refund all or a portion of the bonds, obligations, or other
11 evidences of indebtedness issued for purposes specified in this
12 act. ~~If~~ **Except as otherwise provided in section 12(1), if** refunding
13 bonds, obligations, or other evidences of indebtedness are issued,
14 an assignment or pledge of distributions of taxes from the
15 convention facility development fund for the payment of principal
16 or interest on the refunded bonds, obligations, or other evidences
17 shall apply, after the issuance of the refunding bonds, only to the
18 refunding bonds, obligations, or other evidences of indebtedness
19 and to any bonds, obligations, or other evidences of indebtedness
20 that were not refunded and to which the assignment or pledge
21 previously applied.

22 (3) A local governmental unit that refunds bonds, obligations,
23 or other evidences of indebtedness pursuant to subsection (2) may
24 dedicate distributions of taxes from the convention facility
25 development fund to the payment of principal, interest, or credit
26 support fees or other costs of issuance or of the maintenance of
27 any required reserves for general obligation bonds, obligations, or
28 other evidences of indebtedness issued or to be issued for purposes
29 specified in this act but not pursuant to the authority granted in

1 this act or may reimburse itself for such payments from such
2 distributions. However, distributions to a local governmental unit
3 pursuant to this subsection in any state fiscal year shall not
4 exceed the lesser of the following:

5 (a) Principal, interest, or credit support fees or other costs
6 of issuance or of the maintenance of required reserves payable in
7 the state fiscal year on the bonds, obligations, or other evidences
8 of indebtedness to which the distributions are dedicated.

9 (b) The difference between the amount that would have been
10 distributed to the local governmental unit had it not issued
11 refunding bonds pursuant to subsection (2) and the amount of
12 distribution of taxes to which an assignment or pledge applies
13 under subsection (2).

14 (4) After September 30, 1999, taxes shall not be distributed
15 from the convention facility development fund pursuant to
16 subsection (3).

17 (5) If bonds, obligations, or other evidences of indebtedness
18 are to be issued for the purposes set forth in section 8(2), for
19 which all or a portion of the distribution of taxes that the local
20 governmental unit is eligible to receive are pledged or assigned as
21 set forth in subsection (1) or (2), and if as a direct result of
22 the acquiring, constructing, improving, enlarging, renewing,
23 replacing, or in conjunction with these activities, repairing,
24 furnishing, equipping, or leasing of a convention facility financed
25 from the proceeds of the bonds, obligations, or other evidences of
26 indebtedness, it is necessary for the state to expend money from
27 the state trunk line fund from the proceeds of bonds issued by this
28 state payable from deposits into the state trunk line fund, or from
29 direct appropriations for the costs of relocating, constructing, or

1 reconstructing highways, roads, streets, or bridges, and costs
2 ancillary thereto, then before the issuance of the bonds,
3 obligations, or other evidences of indebtedness, the state
4 treasurer shall determine that the total amount of these costs to
5 be paid from the state trunk line fund, from the proceeds of bonds
6 or notes payable from deposits into the state trunk line fund, or
7 from direct appropriations of this state, excluding any of the cost
8 to be reimbursed to this state by the federal government, any local
9 unit of government or authority or agency thereof, or any other
10 person or entity, shall not exceed 25% of the total cost of the
11 relocation, construction, or reconstruction of highways, roads,
12 streets, and bridges, and costs ancillary to those costs, directly
13 resulting from the convention facility project purposes described
14 in section 8(2). For purposes of the validity of the bonds,
15 obligations, or other evidences of indebtedness, the determination
16 of the state treasurer is conclusive as to the matters stated in
17 the determination. If after the determination by the state
18 treasurer the total costs of relocating, constructing, and
19 reconstructing highways, roads, streets, and bridges, and costs
20 ancillary thereto, increase, this state shall not expend from the
21 state trunk line fund, from the proceeds from bonds payable from
22 deposits in the state trunk line fund, or from direct
23 appropriations of this state, any additional funds that cause the
24 total expenditure by this state from these sources, after any
25 reimbursement, to exceed 25% of the total cost, as increased, of
26 the relocation, construction, and reconstruction, including
27 ancillary costs. An expenditure by this state in violation of this
28 subsection does not invalidate or otherwise adversely affect any
29 previously issued bonds, obligations, or other evidences of

indebtedness described in this section or any security therefor.

Sec. 12. (1) ~~Subject to approval pursuant to section 11, a~~ **A**
 local governmental unit may assign or pledge all or a portion of
 the distribution of taxes that the local governmental unit is
 eligible to receive under this act for payment of bonds,
 obligations, or other evidences of indebtedness, **including payments**
under a public-private arrangement, for the purposes specified in
 section 8(2). If a local governmental unit assigns ~~or~~ pledges ~~or~~
~~or, pursuant to section 11(3), dedicates~~ all or a portion of the
 distribution of taxes that the local governmental unit is eligible
 to receive under this act for payment of bonds, obligations, or
 other evidences of indebtedness, ~~incurred for the purposes~~
~~specified in this act,~~ **including payments under a public-private**
arrangement, the state treasurer may transmit to the duly appointed
 trustee or trustees for the bonds, obligations, or other evidences
 of indebtedness, ~~if any,~~ **including a public-private arrangement**,
 the payment of the distribution assigned ~~or~~ pledged ~~or~~
~~dedicated~~ by the local governmental unit. **Notwithstanding anything**
in this act to the contrary, the second sentence of section 11(2)
does not apply to bonds issued by a metropolitan authority that
becomes a qualified local governmental unit after December 1, 2008.

(2) A local governmental unit that becomes a qualified local
 governmental unit before May 1, 2008 shall not issue bonds,
 obligations, or other evidences of indebtedness to which
 distributions under section 9 are pledged in a principal amount
 greater than \$180,000,000.00. This limit does not apply to
 refunding bonds, obligations, or other evidences of indebtedness
 issued pursuant to section 11(2) or to bonds, obligations, or other
 evidences of indebtedness to which distributions of taxes from the

1 convention facility development fund are dedicated under section
 2 11(3). A metropolitan authority that becomes a qualified local
 3 governmental unit after December 1, 2008 ~~shall not~~ **may, after the**
 4 **effective date of the amendatory act that added subdivision (f),**
 5 issue bonds, obligations, or other evidences of indebtedness to
 6 which distributions under section 9 are pledged ~~in order to finance~~
 7 ~~a total cost for all projects undertaken by the qualified local~~
 8 ~~governmental unit that exceeds~~ **in an aggregate principal amount not**
 9 **to exceed \$299,000,000.00.** ~~A building authority that becomes a~~
 10 ~~qualified local governmental unit after May 1, 2009 shall not issue~~
 11 ~~bonds, obligations, or other evidences of indebtedness to which~~
 12 ~~distributions under section 9 are pledged in order to finance a~~
 13 ~~total cost for all projects undertaken by the qualified local~~
 14 ~~governmental unit that exceeds \$154,000,000.00.~~ The cost of a
 15 project in addition to construction and acquisition costs may
 16 include an allowance for legal, engineering, architectural, and
 17 consulting services. The following ~~shall~~ **are** not be considered
 18 ~~costs of a project and may be financed with the proceeds of bonds,~~
 19 ~~obligations, or other evidences of indebtedness for which section 9~~
 20 ~~distributions are pledged:~~ **subject to the limitations set forth in**
 21 **this subsection:**

22 (a) Interest on revenue obligations issued to finance the
 23 project becoming due before the collection of the first revenues
 24 available for the payment of those revenue obligations.

25 (b) A reserve for the payment of principal, interest, and
 26 redemption premiums on the revenue obligations of the qualified
 27 local governmental unit, and other necessary incidental expenses,
 28 including, but not limited to, placement fees, fees or charges for
 29 insurance, letters of credit, lines of credit, remarketing

1 agreements, or commitments to purchase obligations issued pursuant
2 to this act.

3 (c) Fees or charges associated with an agreement to manage
4 payment, revenue, or interest rate exposure.

5 (d) Any other fees or charges for any other security provided
6 to assure timely payment of the obligations.

7 (e) Refunding bonds.

8 **(f) Payments under a public-private arrangement.**

9 Sec. 20. The tax imposed by this act shall not be levied after
10 the earlier of December 31, 2039 or 30 days after all bonds, notes,
11 or other obligations issued by a metropolitan authority formed
12 under the regional convention facility authority act, **2008 PA 554,**
13 **MCL 141.1351 to 141.1379,** for purposes authorized under that act
14 are retired.