

STATE CONVENTION FACILITY DEVELOPMENT ACT (EXCERPT)
Act 106 of 1985

207.629 Distribution from fund; transferee as qualified local governmental unit; distribution to certain building authorities; "qualified local governmental unit" defined; certain payments prohibited; "qualified city" defined; building authority as qualified local governmental unit.

Sec. 9. (1) Except as provided in subsection (5) or (6), on or before the thirtieth day of each month, the state treasurer shall make a distribution from the convention facility development fund to a qualified local governmental unit. The distribution shall be an amount equal to the sum of the collections from the excise tax levied for accommodations under this act for the previous month from the convention hotels in the county in which the convention facility is or is to be located and in any county in which convention hotels are located that is contiguous to the county in which the convention facility is located, or is to be located, the additional tax imposed under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, for the previous month received in the fund, and any distribution received under section 5(b)(iii) of the health and safety fund act, 1987 PA 264, MCL 141.475, and from the 21st century jobs trust fund under section 8(4). However, distributions for any state fiscal year to any qualified local governmental unit under this section shall not exceed an amount equal to the amount pledged, assigned, or dedicated by the qualified local governmental unit for the payment during that state fiscal year of bonds, obligations, or other evidences of indebtedness incurred pursuant to this act or the regional convention facility authority act, 2008 PA 554, MCL 141.1351 to 141.1379, other than payments under a public-private arrangement, plus any amount necessary to maintain a fully funded debt reserve or other reserves intended to secure the principal and interest on the bonds, obligations, or other evidences of indebtedness as contained in the resolution or ordinance authorizing their issuance.

(2) Notwithstanding the distributions provided by subsection (1), if a local governmental unit becomes a qualified local governmental unit entitled to receive distributions from the tax imposed under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, or from the tax imposed by this act in counties in which the convention facility is located or in a county in which a convention hotel is located that is contiguous to the county in which the convention facility is located, and from any distribution under section 5(b)(iii) of the health and safety fund act, 1987 PA 264, MCL 141.475, no other qualified local governmental unit is entitled to distributions pursuant to this section for which that qualified local governmental unit has previously become entitled, until such time as that qualified local governmental unit ownership or leasehold interest described in subsection (3) is transferred to another local governmental unit. If that transfer renders the transferee a qualified local governmental unit, the transferee is, immediately upon that transfer, entitled to the distributions to a qualified local governmental unit provided in subsection (1) and the priority provided to a qualified local governmental unit in this subsection, notwithstanding that the amount of the distributions may increase as a result of that transfer. A transfer under this subsection includes a transfer that occurs on a transfer date under the regional convention facility authority act, 2008 PA 554, MCL 141.1351 to 141.1379.

(3) Notwithstanding the provisions of subsection (2), if the transfer and lease of a qualified convention facility to an authority is disapproved and the authority is dissolved under section 19(1) of the regional convention facility authority act, 2008 PA 554, MCL 141.1369, then a distribution from the convention facility development fund of proceeds received under section 5(b)(iii) of the health and safety fund act, 1987 PA 264, MCL 141.475, shall be made to a building authority for a county having a population of not less than 1,000,000 and not more than 1,500,000 according to the most recent federal decennial census for the purpose of developing, leasing, or operating a convention facility as defined in this act and no other qualified local governmental unit is entitled to any distribution of proceeds received under section 5(b)(iii) of the health and safety fund act, 1987 PA 264, MCL 141.475.

(4) As used in this act, "qualified local governmental unit" means, except as otherwise provided in this subsection, a city, village, township, county, or authority that is located in, or includes within its territory or jurisdiction, a county in which convention hotels are located and that either is the owner or lessee of a convention facility with 350,000 square feet or more of total exhibit space on July 30, 1985 or, if such a convention facility does not exist, will be the owner or lessee of a convention facility with 350,000 square feet or more of total exhibit space through the application of distributions under this section to the purchase or lease of a convention facility. Qualified local governmental unit includes a metropolitan authority that leases, develops, operates, and maintains a qualified convention facility under the regional convention facility authority act, 2008 PA 554, MCL 141.1351 to 141.1379. If the transfer and lease of a qualified convention facility to an authority is disapproved and the authority is dissolved under section 19(1) of the regional convention facility authority act, 2008 PA 554, MCL 141.1369, then for purposes of any distribution from the

convention facility development of proceeds under section 5(b)(iii) of the health and safety fund act, 1987 PA 264, MCL 141.475, qualified local governmental unit means a building authority for a county having a population of not less than 1,000,000 and not more than 1,500,000 according to the most recent federal decennial census.

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

(6) Beginning in fiscal year 2015-2016, and each fiscal year thereafter, if a transfer and a lease of a qualified convention facility is disapproved and an authority is dissolved under section 19(1) of the regional convention facility authority act, 2008 PA 554, MCL 141.1369, then the collections from the excise tax levied for accommodations under this act shall be distributed to each county in which it was levied based on the amount collected in that county. However, if an excise tax for accommodations is levied in a qualified city at a rate greater than the rate levied in that portion of the county in which the qualified city is not located, the qualified city shall receive the collections of the excise tax for accommodations in an amount equal to the difference between the rate levied in the qualified city and the rate levied in that portion of the county in which the qualified city is not located. The funds described in this subsection are not available for a distribution of subsection (1). As used in this subsection, "qualified city" means that term as defined in section 5 of the regional convention facility authority act, 2008 PA 554, MCL 141.1355.

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

History: 1985, Act 106, Imd. Eff. July 30, 1985;—Am. 1993, Act 58, Eff. Apr. 1, 1994;—Am. 2004, Act 386, Imd. Eff. Oct. 12, 2004;—Am. 2005, Act 312, Imd. Eff. Dec. 27, 2005;—Am. 2007, Act 72, Imd. Eff. Sept. 30, 2007;—Am. 2008, Act 553, Eff. Mar. 31, 2009;—Am. 2009, Act 61, Imd. Eff. July 2, 2009;—Am. 2022, Act 276, Eff. Mar. 29, 2023.

Compiler's note: On March 31, 1993, the Senate passed SB 537 and transmitted it to the House of Representatives, which, on April 29, 1993, passed SB 537, voted to give the bill immediate effect, and returned it to the Senate. On May 5, 1993, the Senate voted to give SB 537 immediate effect and ordered it enrolled. Enrolled SB 537 was presented to the Governor at 8:59 a.m. on May 6, 1993. On May 18, 1993, the Senate sent a message to the Governor respectfully requesting the return of enrolled SB 537; the Governor voluntarily complied with this request and returned enrolled SB 537 to the Senate; following the return of the bill to the Senate chamber, the Senate voted to vacate the enrollment of SB 537; a motion to reconsider the vote by which the bill had been given immediate effect was then made, and its consideration postponed.

A letter dated June 9, 1993, from Stanley D. Steinborn, Chief Assistant Attorney General, to Phillip T. Frangos, Deputy Secretary of State, advised him that "Senate Bill No. 537 is now law and it should be assigned a public act number." At 4:15 p.m. on June 9, 1993, the Secretary of State accepted for filing at the Department of State's Great Seal Office a copy of SB 537 and assigned Public Act No. 58 to the filed document. The filed copy of SB 537 was not the copy presented to the Governor and did not carry the Governor's signature.

On June 11, 1993, Dick Posthumus, Majority Leader of the Michigan Senate, John J.H. Schwarz, Assistant President Pro Tempore of the Michigan Senate, and Willis H. Snow, Secretary of the Michigan Senate filed a Complaint for Declaratory Judgment in the 30th Judicial Circuit Court on June 11, 1993, (Docket No. 93-74943), requesting the court to enter judgment in their favor, as follows:

"1) Declaring that Senate Bill 537, the original linen of which is in the possession of the Michigan Senate, and which has never been signed into law by the Governor, has not become law;

"2) Declaring that Senate Bill 537, the original linen of which is in the possession of the Michigan Senate, and which has never been signed into law by the Governor, rightfully remains before the Michigan Senate;

"3) Declaring that any action taken by the Defendants inconsistent with the above declarations is unauthorized and unlawful;

"4) Ordering the Defendant RICHARD H. AUSTIN to vacate the enrollment of Senate Bill 537 as a Public Act of 1993.

"5) Ordering any and all other relief declared appropriate by this Court."

On July 1, 1993, the Senate voted to reconsider its vote giving the bill immediate effect and then defeated a motion to give the bill immediate effect. Senate Bill 537 was ordered enrolled on the same date and presented to the Governor at 3:23 p.m. on July 6, 1993.

Also on July 1, 1993, the Senate adopted Senate Resolution No. 179 authorizing the Michigan Senate to seek legal action to vacate the assignment of a public act number to SB 537. In accordance with that resolution, an amended complaint was filed on July 14, 1993, adding the Michigan Senate as a plaintiff and requesting the court to enter judgment in plaintiffs' favor, as follows:

"1. Declaring that Senate Bill 537 has not become law, and will not become law until such time as the newly enrolled bill has been duly signed by the Governor, or until such time as the bill is passed by a two-thirds vote of both houses of the Legislature, in the event that the newly enrolled bill should be vetoed by the Governor, or until such time as the newly enrolled bill has remained in the possession of the Governor for a period of more than 14 days, during which time the Legislature has remained in session, without having been signed, vetoed, or otherwise returned to the Legislature by the Governor;

"2. Declaring that Senate Bill 537 was lawfully returned to the Senate, and its enrollment lawfully vacated, on May 18, 1993, and that the bill rightfully remained before the Michigan Senate from that date until its subsequent presentment to the Governor on July 6, 1993;

"3. Declaring that any action taken by the Defendants inconsistent with the above declarations is unauthorized and unlawful;

"4. Ordering the Defendant RICHARD H. AUSTIN to vacate the assignment, to Senate Bill 537, of Public Act No. 58 of the Public Acts of 1993.

"5. Declaring that Senate Bill 537 shall not take effect until the expiration of 90 days after the final adjournment of the current legislative session, in accordance with Article IV, § 27 of the Michigan Constitution, if the newly enrolled bill is signed by the Governor, is passed by a two-thirds vote of both houses of the Legislature, overriding a gubernatorial veto, or if the newly enrolled bill remains in the possession of the Governor for a period of more than 14 days, during which time the Legislature has remained in session, without

having been signed, vetoed, or otherwise returned to the Legislature by the Governor, in accordance with Article IV, § 33 of the Michigan Constitution.

"6. Ordering the Defendant RICHARD H. AUSTIN to assign a new public act number to Senate Bill 537 if the newly enrolled bill is signed by the Governor, is passed by a two-thirds vote of both houses of the Legislature, overriding a gubernatorial veto, or if the newly enrolled bill remains in the possession of the Governor for a period of more than 14 days, during which time the Legislature has remained in session, without having been signed, vetoed, or otherwise returned to the Legislature by the Governor, in accordance with Article IV, § 33 of the Michigan Constitution.

"7. Ordering any and all other relief declared appropriate by this Court."

The Governor signed enrolled Senate Bill 537 at 8:10 a.m. on July 16, 1993, and filed it with the Secretary of State at 11:02 a.m. on that date. A public act number was not assigned to this filing.

On September 7, 1993, the Ingham County Circuit Court, Giddings J., determined that Plaintiffs lacked standing and that Defendants had raised a meritorious defense and were entitled to judgment as a matter of law. Defendants' Motion for Summary Disposition was granted.

Plaintiffs filed an appeal of the Circuit Court ruling with the Michigan Court of Appeals on September 13, 1993. (Court of Appeals Docket No. 168092). This appeal was dismissed on December 28, 1995.

Sec. 9 of Act 106 of 1985, being 207.629 of the Michigan Compiled Laws, as originally enacted, reads:

"Sec. 9. (1) On or before the thirtieth day of each month, the state treasurer shall make a distribution from the convention facility development fund to a qualified local governmental unit. The distribution shall be an amount equal to the sum of the collections from the excise tax levied for accommodations pursuant to this act for the previous month from the convention hotels in the county in which the convention facility is or is to be located and in any county in which convention hotels are located that is contiguous to the county in which the convention facility is located, or is to be located, and the additional liquor tax received pursuant to the convention facility promotion tax act for the previous month received in the fund. However, distributions for any state fiscal year to any qualified local governmental unit shall not exceed an amount equal to the amount pledged by the qualified local governmental unit for the payment during that state fiscal year of bonds, obligations, or other evidences of indebtedness incurred for the purposes specified in this act, plus any amount necessary to maintain a fully funded debt reserve or other reserves intended to secure the principal and interest on the bonds, obligations, or other evidences of indebtedness as contained in the resolution or ordinance authorizing their issuance.

"(2) Notwithstanding the distributions provided by subsection (1), if a local governmental unit becomes a qualified local governmental unit entitled to receive distributions from the tax imposed by the convention facility promotion tax act or from the tax imposed by this act in counties in which the convention facility is located or in a county in which a convention hotel is located that is contiguous to the county in which the convention facility is located, no other qualified local governmental unit shall be entitled to distributions pursuant to this section for which that qualified local governmental unit has previously become entitled.

"(3) A qualified local governmental unit shall be a city, village, township, county, or authority that is located in a county in which convention hotels are located and that either is the owner or lessee of a convention facility with 350,000 square feet or more of total exhibit space on the effective date of this act or, if such a convention facility does not exist, will be the owner or lessee of a convention facility with 350,000 square feet or more of total exhibit space through the application of distributions under this section to the purchase or lease of a convention facility."