

Legislative Analysis



SPORTS TOURISM FUND FOR SUPER BOWL

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House Bill 6165

Sponsor: Rep. Chris Ward

Committee: Local Government and Urban Policy

Complete to 9-13-04

A SUMMARY OF HOUSE BILL 6165 AS INTRODUCED 9-9-04

House Bill 6165 would amend the State Convention Facility Development Act to revise the distribution of funds generated from the excise tax levied on hotel and motel rooms in Wayne, Oakland, and Macomb counties in order to create a new State Sports Tourism Fund that would be used to promote the XL Super Bowl football championship that will be held in Detroit in 2006.

Under the bill, the following would be distributed to the new sports tourism fund: 1) the first \$500,000 of excise taxes levied for the month of September 2004 from convention hotels located in a county with a population greater than one million and less than two million (Oakland); the first \$500,000 of excise taxes levied for the month of September 2004 from convention hotels located in all counties where convention facilities and convention hotels were located (Wayne); and 3) the first \$75,000 of excises taxes levied from convention hotels located in a county with a population greater than 700,000 but less than one million (Macomb).

The bill requires that the Department of Treasury expend money from the new fund, upon appropriation, only for grants to Super Bowl XL host committee functions related to hosting, staging, or execution of Super Bowl XL activities, or to reimburse a county not more than \$500,000 for contributions or grants already made to the host committee for these purposes.

Under the State Convention Facility Development Act, an excise tax is levied on the price of occupying hotels and motels with more than 80 rooms in Wayne, Oakland, and Macomb counties, with the revenue dedicated to the Convention Facility Development Fund. The fund also receives revenue from a statewide four percent excise tax on alcoholic spirits. Distributions are currently made from the fund as follows: 1) to the City of Detroit to pay annual debt service on Cobo Hall convention facility bonds, with any annual increase in the accommodations tax from one year to the next to be used to retire the bonds early. 2) After that, the liquor tax collected from the 80 counties outside Wayne, Oakland, and Macomb is distributed to those 80 counties in proportion to the liquor taxes collected. 3) Any remaining funds are then distributed to all 83 counties in proportion to the amount of taxes collected in each county.

House Bill 5697 requires that a State Sports Tourism Fund be created within the state treasury. The state treasurer could receive money or other assets from any source for

deposit into the fund, would direct the fund's investment, and would credit investment earnings and interest to the fund. Money in the fund at the close of the fiscal year would remain in the fund and not lapse to the general fund. However, money remaining in the fund on September 30, 2006 would lapse to the Convention Facility Development Fund.

The bill specifies that the money distributed to the State Sports Tourism Fund could not impair obligations, bonds, or other evidences of indebtedness issued under the act.

MCL 207.629

FISCAL IMPACT:

The bill would have no impact on state revenue. The bill would alter the distribution of money from the Convention Facility Development Fund.

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