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BILL ANALYSIS

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House Bill 5480 (Substitute H-1 as passed by the House)  
Sponsor: Representative Chris Ward  
House Committee: Local Government and Urban Policy

### **CONTENT**

The bill would amend the State Convention Facility Development Act to authorize the Department of Treasury to spend up to \$1 million, upon appropriation, from the State Sports Tourism Fund for Super Bowl XL host committee activities related to security operations of Super Bowl XL activities.

The bill would prohibit distributions to the Fund that would impair obligations, bonds, or other evidences of indebtedness issued under the Act.

Public Act 386 of 2004 amended the State Convention Facility Development Act to create the State Sports Tourism Fund and require that \$1,075,000 be distributed to it from the State Convention Facility Development Fund for fiscal year (FY) 2004-05. This distribution must be made before any distributions under Section 10, and must be deducted from the money described in Section 10(2)(a) before any distribution is made under that subsection. (Under Section 10, money remaining in the State Convention Facility Development Fund at the end of the fiscal year must be transferred to the General Fund and distributed according to that section. Under Subsection (2)(a), an amount must be distributed to a qualified local unit of government for the payment of bonds and obligations. This refers to money distributed to the City of Detroit for the payment of annual debt service on Cobo Hall convention facility bonds.)

Under the bill, the amount that must be deducted from the money described in Section 10(2)(a) would include any funds appropriated in FY 2005-06 from the State Convention Facility Development Fund.

MCL 207.629

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would have no effect on State revenue or expenditures but would alter the distribution of revenue to local units of government. The Super Bowl is expected to generate additional Convention Facility Development Fund revenue as well as additional liquor tax revenue. The bill would reduce revenue that otherwise will be distributed to the City of Detroit (in order to provide an early retirement of obligations related to Cobo Hall) by earmarking \$1.0 million, after required debt service payments are made and if appropriated, for payment of Super Bowl-related security activities. Counties would receive more or less revenue from the Fund than they received in the previous year depending on whether revenue from the accommodations tax grows by more or less than \$1.0 million in FY 2005-06.

This analysis is preliminary and will be revised as new information becomes available.

Date Completed: 12-12-05

Fiscal Analyst: David Zin

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Analysis available @ <http://www.michiganlegislature.org>

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