

# HOUSE BILL No. 5508

March 22, 2016, Introduced by Reps. Love, Banks, Neeley, Geiss, Durhal, Chang, Garrett, Talabi, Gay-Dagnogo, Byrd, Greig, Cochran, Liberati, Hovey-Wright, Tedder, LaVoy, Santana, Kosowski and Zemke and referred to the Committee on Tax Policy.

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

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

8       (a) For each of the following fiscal years, the following  
9       amounts shall be distributed to a metropolitan authority created  
10      under the regional convention facility authority act, 2008 PA 554,  
11      MCL 141.1351 to 141.1379, for the operational deficit costs of a

1 qualified convention facility operated by the authority under that  
2 act for purposes authorized under that act:

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

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

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

9 (iv) \$7,000,000.00 for the fiscal year ending September 30,  
10 2016.

11 (v) \$6,000,000.00 for the fiscal year ending September 30,  
12 2017.

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

15 (vii) \$5,000,000.00 for the fiscal year ending September 30,  
16 2020.

17 (viii) \$5,000,000.00 for the fiscal year ending September 30,  
18 2021.

19 (ix) \$5,000,000.00 for the fiscal year ending September 30,  
20 2022.

21 (x) \$5,000,000.00 for the fiscal year ending September 30,  
22 2023.

23 (b) For fiscal years ending before October 1, 2009, an amount  
24 equal to the difference, if any, between the tax imposed under this  
25 act in the preceding state fiscal year that is designated under  
26 section 9 to a qualified local governmental unit and the tax  
27 imposed under this act that is designated under section 9 in the

1 state fiscal year immediately preceding the preceding state fiscal  
2 year for the same local governmental unit shall be distributed to  
3 that local governmental unit. This subdivision does not apply  
4 unless a tax has been imposed under this act in the entire 2 state  
5 fiscal years immediately preceding the state fiscal year in which a  
6 distribution under this subdivision is made. Any amount distributed  
7 under this subdivision shall be used by the local governmental unit  
8 only for the retirement of outstanding bonds, obligations, or other  
9 evidences of indebtedness incurred for which distributions under  
10 section 9 are pledged. A distribution under this subdivision shall  
11 not be made to the extent that the obligations, bonds, or other  
12 evidences of indebtedness cannot be retired or are not outstanding.

13 (c) For fiscal years ending before October 1, 2015, an amount  
14 equal to that portion of the liquor tax collected under section  
15 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL  
16 436.2207, from licensees in counties in which convention hotels are  
17 not located shall be distributed to those counties in which  
18 convention hotels are not located in the same proportion that the  
19 amount of tax collected under section 1207 of the Michigan liquor  
20 control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding  
21 state fiscal year from the licensees in a county bears to the total  
22 tax collections under section 1207 of the Michigan liquor control  
23 code of 1998, 1998 PA 58, MCL 436.2207, in the preceding state  
24 fiscal year from all counties in which convention hotels are not  
25 located.

26 (d) For fiscal years ending before October 1, 2015, the  
27 remaining money available after distributions under subdivisions

1 (a), (b), (c), (g), (h), and (i) shall be distributed to each  
2 county in the following amounts:

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

16 (ii) The amount of money available to be distributed under  
17 this subdivision multiplied by the percentage of collections in the  
18 preceding state fiscal year under section 1207 of the Michigan  
19 liquor control code of 1998, 1998 PA 58, MCL 436.2207, from  
20 licensees in counties in which convention hotels are located shall  
21 be distributed to each county in which convention hotels are  
22 located in the same proportion that the amount of tax collected  
23 pursuant to section 1207 of the Michigan liquor control code of  
24 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year  
25 from licensees in that county bears to the total tax collections  
26 from section 1207 of the Michigan liquor control code of 1998, 1998  
27 PA 58, MCL 436.2207, in the preceding state fiscal year from all

1 counties in which convention hotels are located. However, in the  
2 calculation of the proportion represented by a county's share of  
3 distributions under this subparagraph, the amount of the tax  
4 collected from licensees in the qualified local governmental unit  
5 that received distributions under section 9 in fiscal year 2007-  
6 2008 shall not be included.

7 (e) For the fiscal year ending September 30, 2016, an amount  
8 equal to the product of the total amount of tax collected under  
9 section 1207 of the Michigan liquor control code of 1998, 1998 PA  
10 58, MCL 436.2207, and distributed to all counties in the 2014-2015  
11 fiscal year multiplied by 1.01 shall be distributed to all counties  
12 as provided in this subdivision. For fiscal years beginning after  
13 September 30, 2016, an amount equal to the product of the amount of  
14 liquor tax distributions in the immediately preceding fiscal year  
15 multiplied by 1.01, not to exceed the total amount of tax collected  
16 under section 1207 of the Michigan liquor control code of 1998,  
17 1998 PA 58, MCL 436.2207, shall be distributed to counties.  
18 Distributions to each county under this subdivision shall be  
19 calculated as follows:

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

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

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

25 (f) ~~Beginning~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (J),**  
26 **BEGINNING** with the fiscal year ending on September 30, 2016, and  
27 each fiscal year thereafter, if the revenue in the convention

1 facility development fund exceeds the amounts distributed under  
2 section 9 and the distributions under subdivision (e), the excess  
3 shall be distributed to a qualified local governmental unit that is  
4 a metropolitan authority to be used by that qualified local  
5 governmental unit only for the retirement of outstanding bonds,  
6 obligations, or other evidences of indebtedness incurred for which  
7 distributions under section 9 are pledged and for a qualified  
8 governmental unit that is a metropolitan authority or next for the  
9 payment of any unfunded operational deficit costs incurred during  
10 the prior fiscal year by a metropolitan authority created under the  
11 regional convention facility authority act, 2008 PA 554, MCL  
12 141.1351 to 141.1379, for the operation of a qualified convention  
13 facility under that act.

14 (g) For the fiscal year ending September 30, 2009,  
15 \$9,400,000.00 shall be distributed to a metropolitan authority  
16 created under the regional convention facility authority act, 2008  
17 PA 554, MCL 141.1351 to 141.1379, for the costs incurred by the  
18 authority for the implementation of that act, creation of the  
19 authority, and transfer or lease of a qualified convention facility  
20 to the authority, and other costs relating to the management,  
21 operation, and development of a qualified convention facility.

22 (h) For the fiscal year ending September 30, 2009,  
23 \$6,600,000.00 shall be distributed to the general fund of this  
24 state.

25 (i) For the fiscal year ending September 30, 2010,  
26 \$5,000,000.00 shall be distributed to the general fund of this  
27 state and shall be expended in the fiscal year ending September 30,

1 2011.

2 (J) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016,  
3 \$2,000,000.00 SHALL BE DISTRIBUTED, CONTINGENT UPON AN EQUAL  
4 PRIVATE OR PHILANTHROPIC MATCH, TO A SCHOOL DISTRICT THAT HAS THE  
5 SAME BOUNDARIES AS A QUALIFIED LOCAL GOVERNMENTAL UNIT TO BE USED  
6 ONLY FOR CAREER TECHNICAL EDUCATION AND SCHOOL-BASED BEHAVIORAL  
7 HEALTH PROGRAMS OPERATED AND MANAGED UNDER CONTRACT BY A QUALIFIED  
8 LOCAL GOVERNMENTAL UNIT'S MAYOR'S WORKFORCE DEVELOPMENT BOARD THAT  
9 CONTRACTS WITH THE LOCAL COMMUNITY COLLEGE FOR CURRICULUM ALIGNMENT  
10 ON CERTIFICATED WORK-READINESS PROGRAMS AS LONG AS THAT CONTRACT  
11 DOES NOT REPLACE ANY MEMBERS OF A SCHOOL DISTRICT COLLECTIVE  
12 BARGAINING UNIT.

13 (3) A distribution to a county pursuant to this section shall  
14 be included for purposes of the calculations required to be made by  
15 section 24e of the general property tax act, 1893 PA 206, MCL  
16 211.24e. If the governing body of a taxing unit approves the  
17 additional millage rate under section 24e of the general property  
18 tax act, 1893 PA 206, MCL 211.24e, which is due to distributions  
19 pursuant to this section, then an amount equal to 50% of the  
20 distribution under this section shall be used for substance abuse  
21 treatment within the taxing unit.

22 (4) Beginning October 1, 2007 and each year thereafter, from  
23 the revenue collected during the previous quarter, after  
24 distributing the monthly payments under section 9(1), the state  
25 treasurer shall make quarterly distributions under subsection  
26 (2)(c) and (d) or under subsection (2)(e) and (f). From the revenue  
27 collected in the last quarter of the state fiscal year, the state



1 treasurer shall make the distribution under subsection (2)(a) and  
2 (b) prior to any distributions under subsection (2)(c) or (d) or  
3 under subsection (2)(e) and (f).