

SENATE BILL No. 8

January 10, 2001, Introduced by Senator JOHNSON and referred to the Committee on Finance.

A bill to amend 1985 PA 106, entitled
"State convention facility development act,"
by amending sections 3, 10, and 12 (MCL 207.623, 207.630, and
207.632), section 12 as amended by 1993 PA 58.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

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

8 (b) "Commissioner" means the state commissioner of revenue.

9 (c) "Convention facility" means 1 or more facilities owned
10 or leased by a local governmental unit that are any combination

1 of a convention hall, auditorium, meeting rooms, and exhibition
 2 areas that are separate and distinct and contiguous to each
 3 other, and related adjacent public areas generally available to
 4 members of the public for lease on a short-term basis for holding
 5 conventions, meetings, exhibits, and similar events and the nec-
 6 essary site or sites ~~therefor~~ FOR THEM, together with appurte-
 7 nant properties necessary and convenient for use in connection
 8 with the facility.

9 (d) "Convention hotel" means a facility used in the business
 10 of providing accommodations ~~which~~ THAT has more than 80 rooms
 11 for providing accommodations to transient guests and ~~which~~ com-
 12 plies with all of the following:

13 (i) Located within a county having a population according to
 14 the most recent decennial census of ~~600,000~~ 700,000 or more.

15 (ii) Located within a county that is 1 or more of the
 16 following:

17 (A) A county ~~which~~ THAT has a convention facility with
 18 350,000 square feet or more of total exhibit space.

19 (B) A county that has 2,000 or more rooms to provide accom-
 20 modations for transient guests.

21 (e) "Person" means a natural person, partnership, fiduciary,
 22 association, corporation, or other entity.

23 (F) "QUALIFIED COUNTY" MEANS A COUNTY IN WHICH A CONVENTION
 24 HOTEL IS LOCATED.

25 (G) ~~(f)~~ "Room charge" means the charge imposed for the use
 26 or occupancy of accommodations, excluding charges for food,
 27 beverages, telephone services, the use tax imposed ~~pursuant to~~

1 ~~Act No. 94 of the Public Acts of 1937, being sections 205.91 to~~
2 ~~205.111 of the Michigan Compiled Laws~~ UNDER THE USE TAX ACT,
3 1937 PA 94, MCL 205.91 TO 205.111, or like services paid in con-
4 nection with the charge. Room charge does not include reimburse-
5 ment of the assessment imposed by the community convention or
6 tourism marketing act, ~~Act No. 395 of the Public Acts of 1980,~~
7 ~~being sections 141.871 to 141.880 of the Michigan Compiled Laws~~
8 1980 PA 395, MCL 141.871 TO 141.880, the convention and tourism
9 marketing act, ~~Act No. 383 of the Public Acts of 1980, being~~
10 ~~sections 141.881 to 141.889 of the Michigan Compiled Laws~~ 1980
11 PA 383, MCL 141.881 TO 141.889, or this act.

12 (H) ~~(g)~~ "Transient guest" means a natural person staying
13 less than 30 consecutive days.

14 Sec. 10. (1) Any money remaining in the convention facility
15 development fund at the end of the state fiscal year shall be
16 transferred to the general fund of the state treasury to be dis-
17 tributed in the next state fiscal year pursuant to subsection
18 (2).

19 (2) Money transferred from the convention facility develop-
20 ment fund to the general fund pursuant to subsection (1) shall be
21 distributed in the following order of priority in the following
22 amounts:

23 (a) An amount equal to the difference, if any, between the
24 tax imposed ~~pursuant to~~ UNDER this act in the preceding state
25 fiscal year that is designated ~~pursuant to~~ UNDER section 9 to a
26 qualified local governmental unit and the tax imposed ~~pursuant~~
27 ~~to~~ UNDER this act that is designated ~~pursuant to~~ UNDER section

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

15 (b) Of the money transferred ~~pursuant to~~ UNDER
16 subsection (1) and remaining after distributions under subdivi-
17 sion (a), an amount equal to that portion of the liquor tax col-
18 lected ~~pursuant to the convention facility promotion tax act~~
19 UNDER SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998,
20 1998 PA 58, MCL 436.2207, from licensees in counties in which
21 convention hotels are not located shall be distributed to those
22 counties in which convention hotels are not located in the same
23 proportion that the amount of tax collected ~~pursuant to the con-~~
24 ~~vention facility promotion tax act~~ UNDER SECTION 1207 OF THE
25 MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207,
26 in the preceding state fiscal year from the licensees in a county
27 bears to the total tax collections ~~pursuant to the convention~~

~~1 facility promotion tax act~~ UNDER SECTION 1207 OF THE MICHIGAN
2 LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207, in the
3 preceding state fiscal year from all counties in which convention
4 hotels are not located.

5 (c) The remaining money transferred ~~pursuant to~~ UNDER sub-
6 section (1) after distributions under subdivisions (a) and (b)
7 shall be distributed to each county in the following amounts:

8 (i) The amount of money available to be distributed under
9 this subdivision multiplied by the percentage of collections in
10 the preceding state fiscal year under ~~the convention facility~~
11 ~~promotion tax act~~ SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL
12 CODE OF 1998, 1998 PA 58, MCL 436.2207, from licensees in coun-
13 ties in which convention hotels are not located shall be distrib-
14 uted to each county in which convention hotels are not located in
15 the same proportion that the amount of tax collected pursuant to
16 ~~the convention facility promotion tax act~~ SECTION 1207 OF THE
17 MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207,
18 in the preceding state fiscal year from licensees in that county
19 bears to the total tax collections from ~~the convention facility~~
20 ~~promotion tax act~~ SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL
21 CODE OF 1998, 1998 PA 58, MCL 436.2207, in the preceding state
22 fiscal year from all counties in which convention hotels are not
23 located NOT TO EXCEED THE AMOUNT DISTRIBUTED UNDER THIS SUBPARA-
24 GRAPH IN 1999.

25 (ii) The amount of money available to be distributed under
26 this subdivision multiplied by the percentage of collections in
27 the preceding state fiscal year under ~~the convention facility~~

~~1 promotion tax act~~ SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL
2 CODE OF 1998, 1998 PA 58, MCL 436.2207, from licensees in coun-
3 ties in which convention hotels are located shall be distributed
4 to each county in which convention hotels are located in the same
5 proportion that the amount of tax collected pursuant to ~~the con-~~
6 ~~vention facility promotion tax act~~ SECTION 1207 OF THE MICHIGAN
7 LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207, in the
8 preceding state fiscal year from licensees in that county bears
9 to the total tax collections from ~~the convention facility promo-~~
10 ~~tion tax act~~ SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF
11 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal
12 year from all counties in which convention hotels are located NOT
13 TO EXCEED THE AMOUNT DISTRIBUTED UNDER THIS SUBPARAGRAPH IN
14 1999. However, in the calculation of the proportion represented
15 by a county's share of distributions under this subparagraph, the
16 amount of the tax collected from licensees in the qualified local
17 governmental unit that received distributions under section 9 in
18 the last state fiscal year shall not be included.

19 (D) THE REMAINING MONEY TRANSFERRED UNDER SUBSECTION (1)
20 AFTER DISTRIBUTIONS UNDER SUBDIVISIONS (A), (B), AND (C) SHALL BE
21 DISTRIBUTED TO EACH QUALIFIED COUNTY IN THE SAME PROPORTION THAT
22 THE AMOUNT COLLECTED AND DEPOSITED INTO THE CONVENTION FACILITY
23 DEVELOPMENT FUND FROM EACH QUALIFIED COUNTY BEARS TO THE AMOUNT
24 COLLECTED AND DEPOSITED INTO THE CONVENTION FACILITY DEVELOPMENT
25 FUND FROM ALL QUALIFIED COUNTIES. MONEY DISTRIBUTED TO A QUALI-
26 FIED COUNTY UNDER THIS SUBDIVISION SHALL BE USED ONLY TO INCREASE
27 TOURISM IN THAT QUALIFIED COUNTY.

1 (3) A distribution to a county pursuant to this section
2 shall be included for purposes of the calculations required to be
3 made by section 24e of the general property tax act, ~~Act No. 206~~
4 ~~of the Public Acts of 1893, being section 211.24e of the Michigan~~
5 ~~Compiled Laws~~ 1893 PA 206, MCL 211.24E. If the governing body
6 of a taxing unit approves the additional millage rate under
7 section 24e of the general property tax act, ~~Act No. 206 of the~~
8 ~~Public Acts of 1893~~ 1893 PA 206, MCL 211.24E, which is due to
9 distributions pursuant to this section, then an amount equal to
10 50% of the distribution under this section shall be used for sub-
11 stance abuse treatment within the taxing unit.

12 Sec. 12. (1) Subject to approval pursuant to section 11, a
13 local governmental unit may assign or pledge all or a portion of
14 the distribution of taxes that the local governmental unit is
15 eligible to receive under this act for payment of bonds, obliga-
16 tions, or other evidences of indebtedness for the purposes speci-
17 fied in section 8(2). If a local governmental unit assigns,
18 pledges, or, pursuant to section 11(4), dedicates all or a por-
19 tion of the distribution of taxes that the local governmental
20 unit is eligible to receive under this act for payment of bonds,
21 obligations, or other evidences of indebtedness incurred for the
22 purposes specified in this act, the state treasurer may transmit
23 to the duly appointed trustee or trustees for the bonds, obliga-
24 tions, or other evidences of indebtedness, if any, the payment of
25 the distribution assigned, pledged, or dedicated by the local
26 governmental unit.

1 (2) A local governmental unit shall not issue bonds,
2 obligations, or other evidences of indebtedness to which
3 distributions under section 9 are pledged in a principal amount
4 greater than \$180,000,000.00. This limit does not apply to
5 refunding bonds, obligations, or other evidences of indebtedness
6 issued pursuant to section 11(3) or to bonds, obligations, or
7 other evidences of indebtedness to which distributions of taxes
8 from the convention facility development fund are dedicated under
9 section 11(4).

10 (3) A LOCAL GOVERNMENTAL UNIT THAT HAS PLEDGED REVENUE FOR
11 THE PAYMENT OF BONDS, OBLIGATIONS, OR OTHER EVIDENCES OF INDEBT-
12 EDNESS UNDER THIS ACT SHALL NOT REFUND A BOND, OBLIGATION, OR
13 OTHER EVIDENCE OF INDEBTEDNESS UNDER THIS ACT UNLESS THE NET
14 PRESENT VALUE OF THE PRINCIPAL AND INTEREST TO BE PAID ON THE
15 REFUNDING BOND, OBLIGATION, OR OTHER EVIDENCE OF INDEBTEDNESS,
16 EXCLUDING THE COST OF ISSUANCE, WILL BE LESS THAN THE NET PRESENT
17 VALUE OF THE PRINCIPAL AND INTEREST TO BE PAID ON THE BOND, OBLI-
18 GATION, OR OTHER EVIDENCE OF INDEBTEDNESS BEING REFUNDED, AS CAL-
19 CULATED USING A METHOD APPROVED BY THE DEPARTMENT OF TREASURY.