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BILL ANALYSIS



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House Bill 5120 (Substitute H-1 as passed by the House)
Sponsor: Representative Bert Johnson
House Committee: Regulatory Reform
Senate Committee: Appropriations

Date Completed: 10-6-09

CONTENT

House Bill 5120 (H-1) would amend Section 10 of the State Convention Facility Development Act. The amendments deal with implementation of the December 2008 package of legislation regarding the transfer of the Cobo Hall Convention Center in the City of Detroit from the control of Detroit to a regional convention authority. One of the provisions of the Cobo Hall legislation requires a transfer of \$16.0 million of tobacco tax revenue from the Health and Safety Fund to the Convention Facility Development Fund (Public Act 586 of 2008). This \$16.0 million of additional funding in the Convention Facility Development Fund, during fiscal year (FY) 2008-09, would be distributed pursuant to House Bill 5120 (H-1).

The State Convention Facility Development Act requires the distribution of \$9.4 million for FY 2008-08 from the Convention Facility Development Fund to the regional convention authority now operating Cobo Hall. The bill also would require the distribution of \$6.6 million from the Fund to the State's General Fund for FY 2008-09, thus implementing the distribution of the \$16.0 million transferred from the Health and Safety Fund. The bill would have no impact on the remaining distribution of funds under the State Convention Facility Development Act for debt service of bonds previously issued to finance past expansions of Cobo Hall and funds distributed through existing formulas to all counties in the State.

MCL 207.630

FISCAL IMPACT

The passage of the bill would provide for a \$6.6 million increase in FY 2008-09 General Fund/General Purpose (GF/GP) revenue. This transfer of funds from the Convention Facility Development Fund to the State GF/GP budget would apply only during FY 2008-09. The passage of the bill would have no impact on the level of funding counties receive under the State Convention Facility Development Act, as the bill simply would appropriate extra funds generated from Public Act 586 of 2008.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.