

HOUSE BILL No. 5677

May 24, 2012, Introduced by Reps. Stallworth, Santana, Talabi, Stapleton, Durhal, Jackson, Howze, Liss, Womack, Tlaib and Nathan 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,

1 MCL 141.1351 to 141.1379, for the operational deficit costs of a
2 qualified convention facility operated by the authority under that
3 act for purposes authorized under that act:

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

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

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

10 (iv) \$7,000,000.00 for the fiscal year ending September 30,
11 2016.

12 (v) \$6,000,000.00 for the fiscal year ending September 30,
13 2017.

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

16 (vii) \$5,000,000.00 for the fiscal year ending September 30,
17 2020.

18 (viii) \$5,000,000.00 for the fiscal year ending September 30,
19 2021.

20 (ix) \$5,000,000.00 for the fiscal year ending September 30,
21 2022.

22 (x) \$5,000,000.00 for the fiscal year ending September 30,
23 2023.

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

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

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

27 (d) For fiscal years ending before October 1, 2015, the

1 remaining money available after distributions under subdivisions
2 (a), (b), (c), (g), (h), and (i) shall be distributed to each
3 county in the following amounts:

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

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

1 PA 58, MCL 436.2207, in the preceding state fiscal year from all
2 counties in which convention hotels are located. However, ~~in the~~
3 ~~calculation of the proportion represented by a county's share of~~
4 ~~distributions under this subparagraph, the amount of~~ **BASED ON** the
5 tax collected from licensees in ~~the~~ **A** ~~qualified local governmental~~
6 ~~unit that received distributions under section 9 in fiscal year~~
7 ~~2007-2008 shall not be included.~~ **CITY SHALL BE PAID DIRECTLY TO THE**
8 **QUALIFIED CITY TO BE USED ONLY FOR SUBSTANCE ABUSE PREVENTION. AS**
9 **USED IN THIS SECTION, "QUALIFIED CITY" MEANS THAT TERM AS DEFINED**
10 **IN SECTION 9(6).**

11 (e) For the fiscal year ending September 30, 2016, an amount
12 equal to the product of the total amount of tax collected under
13 section 1207 of the Michigan liquor control code of 1998, 1998 PA
14 58, MCL 436.2207, and distributed to all counties in the 2014-2015
15 fiscal year multiplied by 1.01 shall be distributed to all counties
16 as provided in this subdivision. For fiscal years beginning after
17 September 30, 2016, an amount equal to the product of the amount of
18 liquor tax distributions in the immediately preceding fiscal year
19 multiplied by 1.01, not to exceed the total amount of tax collected
20 under section 1207 of the Michigan liquor control code of 1998,
21 1998 PA 58, MCL 436.2207, shall be distributed to counties.
22 Distributions to each county under this subdivision shall be
23 calculated as follows:

24 (i) The amount of money available to be distributed under this
25 subdivision multiplied by the percentage of collections in the
26 immediately preceding state fiscal year under section 1207 of the
27 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207,

1 from licensees in counties in which convention hotels are not
2 located shall be distributed to each county in which convention
3 hotels are not located in the same proportion that the amount of
4 tax collected pursuant to section 1207 of the Michigan liquor
5 control code of 1998, 1998 PA 58, MCL 436.2207, in the immediately
6 preceding state fiscal year from licensees in that county bears to
7 the total tax collections from section 1207 of the Michigan liquor
8 control code of 1998, 1998 PA 58, MCL 436.2207, in the immediately
9 preceding state fiscal year from all counties in which convention
10 hotels are not located.

11 (ii) The amount of money available to be distributed under this
12 subdivision multiplied by the percentage of collections in the
13 immediately preceding state fiscal year under section 1207 of the
14 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207,
15 from licensees in counties in which convention hotels are located
16 shall be distributed to each county in which convention hotels are
17 located in the same proportion that the amount of tax collected
18 pursuant to section 1207 of the Michigan liquor control code of
19 1998, 1998 PA 58, MCL 436.2207, in the immediately preceding state
20 fiscal year from licensees in that county bears to the total tax
21 collections from section 1207 of the Michigan liquor control code
22 of 1998, 1998 PA 58, MCL 436.2207, in the immediately preceding
23 state fiscal year from all counties in which convention hotels are
24 located. However, ~~in the calculation of the proportion represented~~
25 ~~by a county's share of distributions under this subparagraph -~~
26 **BASED** the amount of the tax collected from licensees in ~~the A~~
27 ~~qualified local governmental unit that received distributions under~~

1 ~~section 9 in the 2007-2008 state fiscal year shall not be~~
2 ~~included.~~ **CITY SHALL BE PAID DIRECTLY TO THE QUALIFIED CITY TO BE**
3 **USED ONLY FOR SUBSTANCE ABUSE PREVENTION.**

4 (f) Beginning with the fiscal year ending on September 30,
5 2016, and each fiscal year thereafter, if the revenue in the
6 convention facility development fund exceeds the amounts
7 distributed under section 9 and the distributions under subdivision
8 (e), the excess shall be distributed to a qualified local
9 governmental unit that is a metropolitan authority to be used by
10 that qualified local governmental unit only for the retirement of
11 outstanding bonds, obligations, or other evidences of indebtedness
12 incurred for which distributions under section 9 are pledged and
13 for a qualified governmental unit that is a metropolitan authority
14 or next for the payment of any unfunded operational deficit costs
15 incurred during the prior fiscal year by a metropolitan authority
16 created under the regional convention facility authority act, 2008
17 PA 554, MCL 141.1351 to 141.1379, for the operation of a qualified
18 convention facility under that act.

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

27 (h) For the fiscal year ending September 30, 2009,

1 \$6,600,000.00 shall be distributed to the general fund of this
2 state.

3 (i) For the fiscal year ending September 30, 2010,
4 \$5,000,000.00 shall be distributed to the general fund of this
5 state and shall be expended in the fiscal year ending September 30,
6 2011.

7 (3) A distribution to a county pursuant to this section shall
8 be included for purposes of the calculations required to be made by
9 section 24e of the general property tax act, 1893 PA 206, MCL
10 211.24e. If the governing body of a taxing unit approves the
11 additional millage rate under section 24e of the general property
12 tax act, 1893 PA 206, MCL 211.24e, which is due to distributions
13 pursuant to this section, then an amount equal to 50% of the
14 distribution under this section shall be used for substance abuse
15 treatment within the taxing unit.

16 (4) Beginning October 1, 2007 and each year thereafter, from
17 the revenue collected during the previous quarter, after
18 distributing the monthly payments under section 9(1), the state
19 treasurer shall make quarterly distributions under subsection
20 (2)(c) and (d) or under subsection (2)(e) and (f). From the revenue
21 collected in the last quarter of the state fiscal year, the state
22 treasurer shall make the distribution under subsection (2)(a) and
23 (b) prior to any distributions under subsection (2)(c) or (d) or
24 under subsection (2)(e) and (f).