

**No. 58**  
**STATE OF MICHIGAN**  
**Journal of the Senate**  
**95th Legislature**  
**REGULAR SESSION OF 2009**

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Senate Chamber, Lansing, Friday, June 26, 2009.

12:05 a.m.

The Senate was called to order by the President pro tempore, Senator Randy Richardville.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Allen—present  
Anderson—present  
Barcia—excused  
Basham—present  
Birkholz—present  
Bishop—present  
Brater—present  
Brown—present  
Cassis—present  
Cherry—present  
Clark-Coleman—present  
Clarke—present  
Cropsey—present

Garcia—excused  
George—present  
Gilbert—present  
Gleason—present  
Hardiman—present  
Hunter—present  
Jacobs—present  
Jansen—present  
Jelinek—present  
Kahn—excused  
Kuipers—present  
McManus—present

Olshove—present  
Pappageorge—present  
Patterson—present  
Prusi—present  
Richardville—present  
Sanborn—present  
Scott—excused  
Stamas—present  
Switalski—present  
Thomas—present  
Van Woerkom—present  
Whitmer—present

Senator Samuel Buzz Thomas III of the 4th District offered the following invocation:

Lord, we pray that You will give us the strength to deliberate quickly and wisely and that when we depart this chamber, we will all return home to our loved ones safe and sound. Amen.

The President pro tempore, Senator Richardville, led the members of the Senate in recital of the *Pledge of Allegiance*.

### Motions and Communications

Senator Cropsey moved that Senator Hardiman be temporarily excused from today's session. The motion prevailed.

Senator Cropsey moved that Senators Garcia and Kahn be excused from today's session. The motion prevailed.

Senator Thomas moved that Senators Barcia and Scott be excused from today's session. The motion prevailed.

The following communication was received and read:

Office of the Senate Majority Leader

June 25, 2009

Pursuant to Senate Rule 2.104(c), I am requesting that the Senate Committee on Natural Resources and Environmental Affairs hold a hearing on the appointment of Gary F. Marowske to the Michigan State Waterways Commission, and make a written recommendation to the Government Operations and Reform Committee on this appointment.

Sincerely,  
Senator Michael D. Bishop, Chairman  
Government Operations and Reform Committee

The communication was referred to the Secretary for record.

The Secretary announced that the following official bills were printed on Thursday, June 25, and are available at the legislative website:

**House Bill Nos. 5139 5140 5141 5142**

By unanimous consent the Senate proceeded to the order of

### Conference Reports

Senator Allen submitted the following:

#### FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

#### **Senate Bill No. 586, entitled**

A bill to amend 1987 PA 264, entitled "Health and safety fund act," by amending section 5 (MCL 141.475), as amended by 2008 PA 586.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to amend 1987 PA 264, entitled "Health and safety fund act," by amending section 5 (MCL 141.475), as amended by 2008 PA 586.

#### **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 5. The state treasurer shall cause to be distributed from the health and safety fund the following amounts in the 1988-89 fiscal year and in each following fiscal year:

(a) One-fourth of the collections deposited in the fund under section 3(2) shall be used for indigent volume adjusters for hospitals within the medicaid program.

(b) After the distribution in subdivision (a), \$16,000,000.00 of the amount deposited in the fund under section 3(2) shall be distributed as follows:

(i) Except as provided in subparagraph (iii), to a county that received a loan authorized under section 3(2) or (3) of the emergency municipal loan act, 1980 PA 243, MCL 141.933, to pay outstanding obligations of the county; for the repayment of principal and interest on any loans made to the county under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942; and for the payment of principal, premium, if any, and interest due during a fiscal year on bonds issued by that county under the fiscal stabilization act, 1981 PA 80, MCL 141.1001 to 141.1011. The distributions under this subparagraph shall be made as necessary and only to the extent necessary to satisfy the obligations of the county.

(ii) Except as provided in subparagraph (iii), to the extent that \$16,000,000.00 is no longer necessary to satisfy the obligations under subparagraph (i), a portion of the amount not required for satisfaction of obligations shall be distributed to each county that receives or has received a loan authorized under section 3(2) or (3) of the emergency municipal loan act, 1980 PA 243, MCL 141.933, in an amount determined by multiplying the amount available for distribution under this subparagraph by a fraction, the numerator of which is the population of the county receiving the distribution and the denominator of which is the total population of the state according to the most recent decennial census. The distribution under this subparagraph shall be made at the same times and shall be used, subject to section 6, for the same purposes described in subdivision (c). The remaining amount available for distribution under this subparagraph shall be used on a per capita basis to offset the cost to the state of the assumption of the financing of the state court system in the counties not receiving a distribution under this subparagraph.

(iii) In the 2008-2009 fiscal year through the 2014-2015 fiscal year, \$16,000,000.00 of the amount deposited in the fund under section 3(2) shall be transferred to and deposited in the convention facility development fund created under the state convention facility development act, 1985 PA 106, MCL 207.621 to 207.640, for distribution and use only in the manner and for the purposes stated in that act and no amount shall be distributed under subparagraph (i) or (ii). ~~IF THE TRANSFER OR LEASE OF A QUALIFIED CONVENTION FACILITY TO A METROPOLITAN AUTHORITY TAKES PLACE AS PROVIDED IN THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1351 TO 141.1379, THEN IN~~ the 2015-2016 fiscal year through the 2038-2039 fiscal year, \$15,000,000.00 of the amount deposited in the fund under section 3(2) shall be transferred to and deposited in the convention facility development fund created under the state convention facility development act, 1985 PA 106, MCL 207.621 to 207.640, for distribution and use only in the manner and for the purposes stated in that act and \$1,000,000.00 shall be distributed under subparagraphs (i) and (ii). **IF THE TRANSFER AND LEASE OF A QUALIFIED CONVENTION FACILITY TO AN AUTHORITY IS DISAPPROVED AND THE AUTHORITY IS DISSOLVED UNDER SECTION 19(1) OF THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1369, THEN IN THE 2015-2016 FISCAL YEAR THROUGH THE 2029-2030 FISCAL YEAR, \$15,000,000.00 OF THE AMOUNT DEPOSITED IN THE FUND UNDER SECTION 3(2) SHALL BE TRANSFERRED TO AND DEPOSITED IN THE CONVENTION FACILITY DEVELOPMENT FUND CREATED UNDER THE STATE CONVENTION FACILITY DEVELOPMENT ACT, 1985 PA 106, MCL 207.621 TO 207.640, FOR DISTRIBUTION AND USE ONLY IN THE MANNER AND FOR THE PURPOSES STATED IN THAT ACT AND \$1,000,000.00 SHALL BE DISTRIBUTED UNDER SUBPARAGRAPHS (i) AND (ii).**

(c) The remaining amount deposited in the fund under section 3(2) not distributed under subdivisions (a) and (b) shall be distributed to each county that does not receive and has never received a loan authorized under section 3(2) or (3) of the emergency municipal loan act, 1980 PA 243, MCL 141.933, on a per capita basis according to the ratio that the population of the county receiving the distribution under this subdivision, according to the most recent decennial census, bears to the total population of all counties receiving distribution under this subdivision, according to the most recent decennial census. A distribution under this subdivision shall be made each February, May, August, and November from the collections that were deposited in the fund under section 3(2) in the immediately preceding calendar quarter. Subject to section 6, 12/17 of the distribution under this subdivision shall be distributed to each local health department as defined in section 1105 of the public health code, 1978 PA 368, MCL 333.1105, in the county receiving the distribution on a per capita basis, based on the most recent decennial census, to be used only for public health prevention programs and services. This distribution is in addition to and is not intended as a replacement for any other state or county payments to these health departments. This distribution satisfies the requirements of former section 7a(3) of 1947 PA 265. The remaining 5/17 of the distribution shall be used only for 1 or more of the following:

- (i) The operation, maintenance, or expansion of an existing county jail facility or juvenile facility.
- (ii) The acquisition, construction, and equipping of a new jail facility or juvenile facility.
- (iii) Court operations.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 95th Legislature are enacted into law:

- (a) House Bill No. 4998.
- (b) Senate Bill No. 587.
- (c) Senate Bill No. 588.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1987 PA 264, entitled "An act to provide for the creation of the health and safety fund; to provide for the deposit of certain money in that fund; to provide for the distribution of the money in that fund and to limit its use; to prescribe the powers and duties of certain state officials; and to provide for an appropriation," by amending section 5 (MCL 141.475), as amended by 2008 PA 586.

Jason Allen  
Judson Gilbert II  
Tupac Hunter  
Conferees for the Senate

Bert Johnson  
Marie Donigan  
John Walsh  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,  
Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 373**

**Yeas—31**

Allen	Clark-Coleman	Jansen	Richardville
Basham	Clarke	Jelinek	Sanborn
Birkholz	Cropsey	Kuipers	Stamas
Bishop	George	McManus	Switalski
Brater	Gilbert	Olshove	Thomas
Brown	Gleason	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry	Jacobs	Prusi	

**Nays—1**

Anderson

**Excused—5**

Barcia	Hardiman	Kahn	Scott
Garcia			

**Not Voting—0**

In The Chair: Richardville

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.

Senator Hardiman entered the Senate Chamber.

Senator Allen submitted the following:

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 587, entitled**

A bill to amend 1985 PA 106, entitled "State convention facility development act," by amending sections 3, 8, 9, 10, and 12 (MCL 207.623, 207.628, 207.629, 207.630, and 207.632), as amended by 2008 PA 553.

Recommends:

First: That the Senate and House agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to amend 1985 PA 106, entitled "State convention facility development act," by amending sections 3, 4, 8, 9, 10, and 12 (MCL 207.623, 207.624, 207.628, 207.629, 207.630, and 207.632), sections 3, 8, 9, 10, and 12 as amended by 2008 PA 553.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 3. As used in this act:

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

(b) "Commissioner" means the state treasurer.

(c) "Convention facility" means 1 or more facilities owned or leased by a local governmental unit **OR METROPOLITAN AUTHORITY CREATED UNDER THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1351 TO 141.1379**, that are any combination of a convention hall, auditorium, meeting rooms, and exhibition areas that are separate and distinct and contiguous to each other, and related adjacent public areas generally available to members of the public for lease on a short-term basis for holding conventions, meetings, exhibits, and similar events and the necessary site or sites, together with appurtenant properties necessary and convenient for use in connection with the facility. **CONVENTION FACILITY INCLUDES A QUALIFIED CONVENTION FACILITY AS DEFINED UNDER SECTION 5 OF THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1355.**

(d) "Convention hotel" means a facility used in the business of providing accommodations that has more than 80 rooms for providing accommodations to transient guests and that complies with all of the following:

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

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

(A) A county that has a convention facility with 350,000 square feet or more of total exhibit space.

(B) A county that has 2,000 or more rooms to provide accommodations for transient guests.

(e) "Local governmental unit" means a county, township, city, village, or a metropolitan authority formed under the regional convention facility authority act, **2008 PA 554, MCL 141.1351 TO 141.1379.**

(f) "Person" means a natural person, partnership, **LIMITED PARTNERSHIP**, fiduciary, association, corporation, **LIMITED LIABILITY COMPANY**, or other entity.

(g) "Room charge" means the charge imposed for the use or occupancy of accommodations, excluding charges for food, beverages, telephone services, the use tax imposed under the use tax act, 1937 PA 94, MCL 205.91 to 205.111, or like services paid in connection with the charge. Room charge does not include reimbursement of the assessment imposed by the community convention or tourism marketing act, 1980 PA 395, MCL 141.871 to 141.880, the convention and tourism marketing act, 1980 PA 383, MCL 141.881 to 141.889, or this act.

(h) "Transient guest" means a natural person staying less than 30 consecutive days.

Sec. 4. (1) There is hereby levied upon and there shall be collected from any person engaged in the business of providing accommodations to transient guests in a convention hotel, whether or not membership is required, an excise tax at the following rates:

(a) For a convention hotel located within a qualified local governmental unit under section ~~9(3)~~**9(4)**, the following:

(i) A rate of 3% of the room charge for accommodations in a convention hotel with 81 to 160 rooms.

(ii) A rate of 6% of the room charge for accommodations in a convention hotel with more than 160 rooms.

(b) For all other convention hotels not subject to the tax rates imposed by subdivision (a), the following:

(i) A rate of 1.5% of the room charge for accommodations in a convention hotel with 81 to 160 rooms.

(ii) A rate of 5% of the room charge for accommodations in a convention hotel with more than 160 rooms.

(2) Beginning with the state fiscal year 1987, a person engaged in the business of providing accommodations to transient guests in a convention hotel is exempt from the tax imposed by this act for any state fiscal year in which appropriations of the tax collections pursuant to this act from that convention hotel have not been made for distributions pursuant to section 9 that would be received by a qualified local governmental unit from the collections of the tax under this act or ~~the convention facility promotion tax act~~ **SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207**, that the qualified local governmental unit is eligible to receive.

Sec. 8. (1) The collections from the tax imposed by section 4 shall be deposited in the state treasury, to the credit of the convention facility development fund, which is hereby created within the state treasury. Collections from the additional tax imposed under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, funds appropriated from the 21st century jobs trust fund under subsection (4), and amounts designated under section 5(b)(iii) of the health and safety fund act, 1987 PA 264, MCL 141.475, shall also be deposited to the credit of the convention facility development fund.

(2) The convention facility development fund shall be distributed for certain state purposes and to local governmental units for use only for 1 or more of the following purposes:

(a) Acquiring, constructing, improving, enlarging, renewing, replacing, or leasing a convention facility.

(b) In conjunction with an activity listed in subdivision (a), repairing, furnishing, and equipping the convention facility.

(c) Refinancing an activity listed in subdivision (a) or (b).

(d) General fund expenditures.

(e) In the case of a local governmental unit that is a metropolitan authority, for any purpose authorized under the regional convention facility authority act, **2008 PA 554, MCL 141.1351 TO 141.1379**.

(3) A contract made by a local governmental unit for the purposes included in subsection (2)(a) or (b) concerning a convention facility funded by distributions pursuant to section 9 shall contain a fixed price or guaranteed maximum price for the total cost of activities conducted for these purposes pursuant to that contract.

(4) For the fiscal year ending September 30, ~~2009~~**2010**, \$9,000,000.00 is appropriated from the 21st century jobs trust fund described in section 2 of the Michigan trust fund act, 2000 PA 489, MCL 12.252, **AND TRANSFERRED** to an authority created under the regional convention facility authority act **AND DEPOSITED IN THE CONVENTION FACILITY DEVELOPMENT FUND** for the purpose of developing a qualified convention facility as defined under that act **PURPOSES AUTHORIZED UNDER SUBSECTION (2)(E)**.

Sec. 9. (1) Except as provided in subsection ~~(4)~~**(5) OR (6)**, on or before the thirtieth day of each month, the state treasurer shall make a distribution from the convention facility development fund to a qualified local governmental unit. The distribution shall be an amount equal to the sum of the collections from the excise tax levied for accommodations under this act for the previous month from the convention hotels in the county in which the convention facility is or is to be located and in any county in which convention hotels are located that is contiguous to the county in which the convention facility is located, or is to be located, the additional tax imposed under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, for the previous month received in the fund, and any distribution received under section 5(b)(iii) of the health and safety fund act, 1987 PA 264, MCL 141.475, and from the 21st century jobs trust fund under section 8(4). However, distributions for any state fiscal year to any qualified local governmental unit under this section shall not exceed an amount equal to the amount pledged, assigned, or dedicated by the qualified local governmental unit pursuant to section 11 for the payment during that state fiscal year of bonds, obligations, or other evidences of indebtedness incurred for the purposes specified in this act or the regional convention facility authority act, **2008 PA 554, MCL 141.1351 TO 141.1379**, plus operating deficit cost expenditures **AND OTHER EXPENDITURES AUTHORIZED** under section 10, plus any amount necessary to maintain a fully funded debt reserve or other reserves intended to secure the principal and interest on the bonds, obligations, or other evidences of indebtedness as contained in the resolution or ordinance authorizing their issuance.

(2) Notwithstanding the distributions provided by subsection (1), if a local governmental unit becomes a qualified local governmental unit entitled to receive distributions from the tax imposed under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, or from the tax imposed by this act in counties in which the convention facility is located or in a county in which a convention hotel is located that is contiguous to the county in which the convention facility is located, and from any distribution under section 5(b)(iii) of the health and safety fund act, 1987 PA 264, MCL 141.475, no other qualified local governmental unit is entitled to distributions pursuant to this section for which that qualified local governmental unit has previously become entitled, until such time as that qualified local governmental unit ownership or leasehold interest described in subsection (3) is transferred to another local governmental unit. If that transfer renders the transferee a qualified local governmental unit, the transferee shall, immediately upon that transfer, be entitled to the distributions to a qualified local governmental unit provided in subsection (1) and the priority provided to a qualified local governmental unit in this subsection, notwithstanding that the amount of the distributions may increase as a result of that transfer. **A TRANSFER UNDER THIS SUBSECTION INCLUDES A TRANSFER THAT OCCURS ON A TRANSFER DATE UNDER THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1351 TO 141.1379.**

**(3) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (2), IF THE TRANSFER AND LEASE OF A QUALIFIED CONVENTION FACILITY TO AN AUTHORITY IS DISAPPROVED AND THE AUTHORITY IS DISSOLVED UNDER SECTION 19(1) OF THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1369, THEN A DISTRIBUTION FROM THE CONVENTION FACILITY DEVELOPMENT FUND OF PROCEEDS RECEIVED UNDER SECTION 5(B)(iii) OF THE HEALTH AND SAFETY FUND ACT, 1987 PA 264, MCL 141.475, SHALL BE MADE TO A BUILDING AUTHORITY FOR A COUNTY HAVING A POPULATION OF NOT LESS THAN 1,000,000 AND NOT MORE THAN 1,500,000 ACCORDING TO THE MOST RECENT FEDERAL DECENNIAL CENSUS FOR THE PURPOSE OF DEVELOPING, LEASING, OR OPERATING A CONVENTION FACILITY AS DEFINED IN THIS ACT AND NO OTHER QUALIFIED LOCAL GOVERNMENTAL UNIT IS**



**ENTITLED TO ANY DISTRIBUTION OF PROCEEDS RECEIVED UNDER SECTION 5(B)(iii) OF THE HEALTH AND SAFETY FUND ACT, 1987 PA 264, MCL 141.475.**

**(4) (3)-As used in this act, “qualified local governmental unit” means, EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, a city, village, township, county, or authority that is located in, or includes within its territory or jurisdiction, a county in which convention hotels are located and that either is the owner or lessee of a convention facility with 350,000 square feet or more of total exhibit space on July 30, 1985 or, if such a convention facility does not exist, will be the owner or lessee of a convention facility with 350,000 square feet or more of total exhibit space through the application of distributions under this section to the purchase or lease of a convention facility. QUALIFIED LOCAL GOVERNMENTAL UNIT INCLUDES A METROPOLITAN AUTHORITY THAT LEASES, DEVELOPS, OPERATES, AND MAINTAINS A QUALIFIED CONVENTION FACILITY UNDER THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1351 TO 141.1379. IF THE TRANSFER AND LEASE OF A QUALIFIED CONVENTION FACILITY TO AN AUTHORITY IS DISAPPROVED AND THE AUTHORITY IS DISSOLVED UNDER SECTION 19(1) OF THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1369, THEN FOR PURPOSES OF ANY DISTRIBUTION FROM THE CONVENTION FACILITY DEVELOPMENT OF PROCEEDS UNDER SECTION 5(B)(iii) OF THE HEALTH AND SAFETY FUND ACT, 1987 PA 264, MCL 141.475, QUALIFIED LOCAL GOVERNMENTAL UNIT MEANS A BUILDING AUTHORITY FOR A COUNTY HAVING A POPULATION OF NOT LESS THAN 1,000,000 AND NOT MORE THAN 1,500,000 ACCORDING TO THE MOST RECENT FEDERAL DECENNIAL CENSUS.**

**(5) (4)-Before the 2015-2016 fiscal year, collections from the excise tax levied for accommodations under this act and collections from the tax imposed under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, shall not be paid to a qualified local governmental unit for the repayment of bonds, obligations, or other evidences of indebtedness incurred after 2007.**

**(6) BEGINNING IN FISCAL YEAR 2015-2016, AND EACH FISCAL YEAR THEREAFTER, IF A TRANSFER AND A LEASE OF A QUALIFIED CONVENTION FACILITY IS DISAPPROVED AND AN AUTHORITY IS DISSOLVED UNDER SECTION 19(1) OF THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1369, THEN THE COLLECTIONS FROM THE EXCISE TAX LEVIED FOR ACCOMMODATIONS UNDER THIS ACT SHALL BE DISTRIBUTED TO EACH COUNTY IN WHICH IT WAS LEVIED BASED ON THE AMOUNT COLLECTED IN THAT COUNTY. HOWEVER, IF AN EXCISE TAX FOR ACCOMMODATIONS IS LEVIED IN A QUALIFIED CITY AT A RATE GREATER THAN THE RATE LEVIED IN THAT PORTION OF THE COUNTY IN WHICH THE QUALIFIED CITY IS NOT LOCATED, THE QUALIFIED CITY SHALL RECEIVE THE COLLECTIONS OF THE EXCISE TAX FOR ACCOMMODATIONS IN AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE RATE LEVIED IN THE QUALIFIED CITY AND THE RATE LEVIED IN THAT PORTION OF THE COUNTY IN WHICH THE QUALIFIED CITY IS NOT LOCATED. THE FUNDS DESCRIBED IN THIS SUBSECTION ARE NOT AVAILABLE FOR A DISTRIBUTION OF SUBSECTION (1). AS USED IN THIS SUBSECTION, “QUALIFIED CITY” MEANS THAT TERM AS DEFINED IN SECTION 5 OF THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1355.**

**(7) IF A BUILDING AUTHORITY BECOMES A QUALIFIED LOCAL GOVERNMENTAL UNIT UNDER SUBSECTION (4), COLLECTIONS FROM DISTRIBUTIONS UNDER SECTION 5(B)(iii) OF THE HEALTH AND SAFETY FUND ACT, 1987 PA 264, MCL 141.475, SHALL BE PAID BY THE STATE TREASURER ON OR BEFORE THE THIRTIETH DAY OF EACH MONTH TO THAT BUILDING AUTHORITY.**

Sec. 10. (1) Any money remaining in the convention facility development fund that is not used for the bonds, obligations, or other evidences of indebtedness **OR OTHER PURPOSES AS** described in section 9 shall be distributed pursuant to subsection (2).

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

(a) For each of the following fiscal years, the following amounts shall be distributed to a metropolitan authority created under the regional convention facility authority act, **2008 PA 554, MCL 141.1351 TO 141.1379**, for the operational deficit costs of a qualified convention facility operated by the authority under that act **FOR PURPOSES AUTHORIZED UNDER THAT ACT:**

~~(i)~~ ~~\$9,400,000.00 for the fiscal year ending September 30, 2009.~~

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

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

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

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

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

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

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

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

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

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

(b) For fiscal years ending before October 1, 2009, an amount equal to the difference, if any, between the tax imposed under this act in the preceding state fiscal year that is designated under section 9 to a qualified local governmental unit and the tax imposed under this act that is designated under section 9 in the state fiscal year immediately preceding the preceding state fiscal year for the same local governmental unit shall be distributed to that local governmental unit. This subdivision does not apply unless a tax has been imposed under this act in the entire 2 state fiscal years immediately preceding the state fiscal year in which a distribution under this subdivision is made. Any amount distributed under this subdivision shall be used by the local governmental unit only for the retirement of outstanding bonds, obligations, or other evidences of indebtedness incurred for which distributions under section 9 are pledged. A distribution under this subdivision shall not be made to the extent that the obligations, bonds, or other evidences of indebtedness cannot be retired or are not outstanding.

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

(d) For fiscal years ending before October 1, 2015, **AND FOR FISCAL YEARS ENDING AFTER OCTOBER 1, 2015 IF THE TRANSFER AND LEASE OF A QUALIFIED CONVENTION FACILITY TO AN AUTHORITY IS DISAPPROVED AND THE AUTHORITY IS DISSOLVED UNDER SECTION 19(1) OF THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1369**, the remaining money available after distributions under subdivisions (a), (b), and (c) shall be distributed to each county in the following amounts:

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

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

(e) For the fiscal year ending September 30, 2016, an amount equal to the product of the total amount of tax collected under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, and distributed to all counties in the 2014-2015 fiscal year multiplied by 1.01 shall be distributed to all counties as provided in this subdivision. For fiscal years beginning after September 30, 2016, an amount equal to the product of the amount of liquor tax distributions in the immediately preceding fiscal year multiplied by 1.01, not to exceed the total amount of tax collected under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, shall be distributed to counties. **THIS SUBDIVISION DOES NOT APPLY IF THE TRANSFER AND LEASE OF A QUALIFIED CONVENTION FACILITY TO AN AUTHORITY IS DISAPPROVED AND THE AUTHORITY IS DISSOLVED UNDER SECTION 19(1) OF THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1369.** Distributions to each county under this subdivision shall be calculated as follows:

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

(ii) The amount of money available to be distributed under this subdivision multiplied by the percentage of collections in the immediately preceding state fiscal year under section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, from licensees in counties in which convention hotels are located shall be distributed to each county in which



convention hotels are located in the same proportion that the amount of tax collected pursuant to section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, in the immediately preceding state fiscal year from licensees in that county bears to the total tax collections from section 1207 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207, in the immediately preceding state fiscal year from all counties in which convention hotels are located. However, in the calculation of the proportion represented by a county's share of distributions under this subparagraph, the amount of the tax collected from licensees in the qualified local governmental unit that received distributions under section 9 in the 2007-2008 state fiscal year shall not be included.

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

**(G) EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (H), FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009, \$9,400,000.00 SHALL BE DISTRIBUTED TO A METROPOLITAN AUTHORITY CREATED UNDER THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1351 TO 141.1379, FOR THE COSTS INCURRED BY THE AUTHORITY FOR THE IMPLEMENTATION OF THAT ACT, CREATION OF THE AUTHORITY, AND TRANSFER OR LEASE OF A QUALIFIED CONVENTION FACILITY TO THE AUTHORITY, AND OTHER COSTS RELATING TO THE MANAGEMENT, OPERATION, AND DEVELOPMENT OF A QUALIFIED CONVENTION FACILITY.**

**(H) IF THE TRANSFER AND LEASE OF A QUALIFIED CONVENTION FACILITY TO AN AUTHORITY IS DISAPPROVED AND THE AUTHORITY IS DISSOLVED UNDER SECTION 19(1) OF THE REGIONAL CONVENTION FACILITY AUTHORITY ACT, 2008 PA 554, MCL 141.1369, THEN FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009, \$9,400,000.00 SHALL BE DISTRIBUTED TO A BUILDING AUTHORITY FOR A COUNTY HAVING A POPULATION OF NOT LESS THAN 1,000,000 AND NOT MORE THAN 1,500,000 ACCORDING TO THE MOST RECENT FEDERAL DECENNIAL CENSUS FOR COSTS RELATING TO THE MANAGEMENT, OPERATION, AND DEVELOPMENT OF A CONVENTION FACILITY.**

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

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

Sec. 12. (1) Subject to approval pursuant to section 11, a local governmental unit may assign or pledge all or a portion of the distribution of taxes that the local governmental unit is eligible to receive under this act for payment of bonds, obligations, or other evidences of indebtedness for the purposes specified in section 8(2). If a local governmental unit assigns, pledges, or pursuant to section 11(3), dedicates all or a portion of the distribution of taxes that the local governmental unit is eligible to receive under this act for payment of bonds, obligations, or other evidences of indebtedness incurred for the purposes specified in this act, the state treasurer may transmit to the duly appointed trustee or trustees for the bonds, obligations, or other evidences of indebtedness, if any, the payment of the distribution assigned, pledged, or dedicated by the local governmental unit.

(2) A local governmental unit that becomes a qualified local governmental unit before May 1, 2008 shall not issue bonds, obligations, or other evidences of indebtedness to which distributions under section 9 are pledged in a principal amount greater than \$180,000,000.00. This limit does not apply to refunding bonds, obligations, or other evidences of indebtedness issued pursuant to section 11(2) or to bonds, obligations, or other evidences of indebtedness to which distributions of taxes from the convention facility development fund are dedicated under section 11(3). A ~~local governmental unit~~ **METROPOLITAN AUTHORITY** that becomes a qualified local governmental unit after December 1, 2008 shall not issue bonds, obligations, or other evidences of indebtedness to which distributions under section 9 are pledged in order to finance a total cost for all projects undertaken by the qualified local governmental unit that exceeds \$299,000,000.00. **A BUILDING AUTHORITY THAT BECOMES A QUALIFIED LOCAL GOVERNMENTAL UNIT AFTER MAY 1, 2009 SHALL NOT ISSUE BONDS, OBLIGATIONS, OR OTHER EVIDENCES OF INDEBTEDNESS TO WHICH DISTRIBUTIONS UNDER SECTION 9 ARE PLEDGED IN ORDER TO FINANCE A TOTAL COST FOR ALL PROJECTS UNDERTAKEN BY THE QUALIFIED LOCAL GOVERNMENTAL UNIT THAT EXCEEDS \$154,000,000.00.** The cost of a project in addition to construction and acquisition costs may include an allowance for legal, engineering, architectural, and consulting

services. The following shall not be considered costs of a project and may be financed with the proceeds of bonds, obligations, or other evidences of indebtedness for which section 9 distributions are pledged:

(a) Interest on revenue obligations issued to finance the project becoming due before the collection of the first revenues available for the payment of those revenue obligations.

(b) A reserve for the payment of principal, interest, and redemption premiums on the revenue obligations of the qualified local governmental unit, and other necessary incidental expenses including, but not limited to, placement fees, fees or charges for insurance, letters of credit, lines of credit, remarketing agreements, or commitments to purchase obligations issued pursuant to this act.

(c) Fees or charges associated with an agreement to manage payment, revenue, or interest rate exposure.

(d) Any other fees or charges for any other security provided to assure timely payment of the obligations.

(e) Refunding bonds.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 95th Legislature are enacted into law:

(a) House Bill No. 4998.

(b) Senate Bill No. 586.

(c) Senate Bill No. 588.

Second: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1985 PA 106, entitled "An act to impose a state excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests in certain counties; to provide for the levy, assessment, and collection of the tax; to provide for the disposition and appropriation of the collections from the tax; to create a convention facility development fund; to authorize the distributions from the fund; to authorize the use of distributions from the tax as security for any bonds, obligations, or other evidences of indebtedness issued to finance convention facilities as provided by law; to prescribe certain other matters relating to bonds, obligations, or other evidences of indebtedness issued for such purposes," by amending sections 3, 4, 8, 9, 10, and 12 (MCL 207.623, 207.624, 207.628, 207.629, 207.630, and 207.632), sections 3, 8, 9, 10, and 12 as amended by 2008 PA 553.

Jason Allen  
Judson Gilbert II  
Tupac Hunter  
Conferees for the Senate

Bert Johnson  
Marie Donigan  
John Walsh  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 374**

**Yeas—32**

Allen	Clark-Coleman	Jacobs	Prusi
Basham	Clarke	Jansen	Richardville
Birkholz	Cropsey	Jelinek	Sanborn
Bishop	George	Kuipers	Stamas
Brater	Gilbert	McManus	Switalski
Brown	Gleason	Olshove	Thomas
Cassis	Hardiman	Pappageorge	Van Woerkom
Cherry	Hunter	Patterson	Whitmer

**Nays—1**

Anderson

**Excused—4**

Barcia

Garcia

Kahn

Scott

**Not Voting—0**

In The Chair: Richardville

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor.

Senator Allen submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning **Senate Bill No. 588, entitled**

A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending section 7 (MCL 12.257), as amended by 2008 PA 256.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending section 7 (MCL 12.257), as amended by 2008 PA 256.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 7. (1) The 21st century jobs trust fund is established in the department of treasury. The 21st century jobs trust fund shall consist of donations of money made to the 21st century jobs trust fund from any source and both of the following:

(a) To the extent provided in section 8(1) of the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.268, the net proceeds of the sale of tobacco settlement revenues to the tobacco settlement finance authority under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279.

(b) Amounts appropriated from the general fund in section 89b(1) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b.

(2) The state treasurer shall direct the investment of the 21st century jobs trust fund, which may be invested as part of the common cash of this state under 1967 PA 55, MCL 12.51 to 12.53, but shall be separately accounted for by the state treasurer. The state treasurer may invest the funds or assets of the 21st century jobs trust fund in any investment authorized under 1855 PA 105, MCL 21.141 to 21.147, for surplus funds of this state, in obligations issued by any state or political subdivision or instrumentality of the United States, or in any obligation issued, assumed, or guaranteed by a solvent entity created or existing under the laws of the United States or of any state, district, or territory of the United States, which are not in default as to principal or interest. In addition, the state treasurer shall comply with the divestment from terror act in making investments under this section.

(3) Except as provided in subsection (4), money in the 21st century jobs trust fund at the close of a fiscal year shall remain in the 21st century jobs trust fund and shall not revert to the general fund.

(4) Interest and earnings from investment of the 21st century jobs trust fund shall be deposited in the general fund.

(5) Beginning in fiscal year 2008 and through fiscal year 2015, each year \$75,000,000.00 of the tobacco settlement revenue received by this state that is not considered a TSR as that term is defined under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, shall be deposited into the 21st century jobs trust fund.

(6) For the fiscal year ending September 30, 2016 only, \$30,000,000.00 of the tobacco settlement revenue received by this state that is not considered a TSR as that term is defined under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, shall be deposited into the 21st century jobs trust fund.

**(7) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2010 ONLY, \$9,000,000.00 OF THE TOBACCO SETTLEMENT REVENUE RECEIVED BY THIS STATE THAT IS NOT CONSIDERED A TSR AS THAT TERM IS DEFINED UNDER THE MICHIGAN TOBACCO SETTLEMENT FINANCE AUTHORITY ACT, 2005 PA 226, MCL 129.261 TO 129.279, SHALL BE USED AS PROVIDED IN THE STATE CONVENTION FACILITY DEVELOPMENT ACT, 1985 PA 106, MCL 207.621 TO 207.640.**

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 95th Legislature are enacted into law:

- (a) House Bill No. 4998.
- (b) Senate Bill No. 586.
- (c) Senate Bill No. 587.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 2000 PA 489, entitled "An act to create certain funds; to provide for the allocation of certain revenues among certain funds and for the operation, investment, and expenditure of certain funds; and to impose certain duties and requirements on certain state officials," by amending section 7 (MCL 12.257), as amended by 2008 PA 256.

Jason Allen  
Judson Gilbert II  
Tupac Hunter  
Conferees for the Senate

Bert Johnson  
Marie Donigan  
John Walsh  
Conferees for the House

Pending the order that, under joint rule 9, the conference report be laid over one day,  
Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 375**

**Yeas—32**

Allen	Clark-Coleman	Jacobs	Prusi
Basham	Clarke	Jansen	Richardville
Birkholz	Cropsey	Jelinek	Sanborn
Bishop	George	Kuipers	Stamas
Brater	Gilbert	McManus	Switalski
Brown	Gleason	Olshove	Thomas
Cassis	Hardiman	Pappageorge	Van Woerkom
Cherry	Hunter	Patterson	Whitmer

**Nays—1**

Anderson

**Excused—4**

Barcia

Garcia

Kahn

Scott

**Not Voting—0**

In The Chair: Richardville

The question being on concurring in the committee recommendation to give the bill immediate effect,  
The recommendation was concurred in, 2/3 of the members serving voting therefor.

By unanimous consent the Senate returned to the order of  
**Messages from the House**

**Senate Bill No. 248, entitled**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

The House of Representatives has substituted (H-4) the bill.

The House of Representatives has passed the bill as substituted (H-4), ordered that it be given immediate effect and amended the title to read as follows:

A bill to make appropriations for the department of human services for the fiscal year ending September 30, 2010; and to provide for the expenditure of the appropriations.

Pending the order that, under rule 3.202, the bill be laid over one day,  
 Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was not concurred in, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 376**

**Yeas—0**

**Nays—33**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Basham	Cropsey	Jelinek	Sanborn
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry			

**Excused—4**

Barcia	Garcia	Kahn	Scott
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**Not Voting—0**

In The Chair: Richardville

**Recess**

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
 The motion prevailed, the time being 12:22 a.m.

12:54 a.m.

The Senate was called to order by the President pro tempore, Senator Richardville.



**Senate Bill No. 245, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1) and ordered that it be given immediate effect.

Pending the order that, under rule 3.202, the bill be laid over one day,

Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was not concurred in, a majority of the members serving not voting therefor, as follows:

**Roll Call No. 377****Yeas—0****Nays—33**

Allen	Clark-Coleman	Jacobs	Prusi
Anderson	Clarke	Jansen	Richardville
Basham	Cropsey	Jelinek	Sanborn
Birkholz	George	Kuipers	Stamas
Bishop	Gilbert	McManus	Switalski
Brater	Gleason	Olshove	Thomas
Brown	Hardiman	Pappageorge	Van Woerkom
Cassis	Hunter	Patterson	Whitmer
Cherry			

**Excused—4**

Barcia	Garcia	Kahn	Scott
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**Not Voting—0**

In The Chair: Richardville

By unanimous consent the Senate returned to the order of

**Conference Reports****House Bill No. 4998, entitled**

A bill to amend 2008 PA 554, entitled "Regional convention facility authority act," by amending sections 5, 7, 11, and 19 (MCL 141.1355, 141.1357, 141.1361, and 141.1369).

The House of Representatives has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

**House Bill No. 4998, entitled**

A bill to amend 2008 PA 554, entitled "Regional convention facility authority act," by amending sections 5, 7, 11, and 19 (MCL 141.1355, 141.1357, 141.1361, and 141.1369).

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to amend 2008 PA 554, entitled "Regional convention facility authority act," by amending sections 5, 7, 11, and 19 (MCL 141.1355, 141.1357, 141.1361, and 141.1369).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 5. As used in this act:

(a) "Authority" means a regional convention facility authority created under section 7.

(b) "Board" means the board of directors of an authority.

(c) "Convention facility" means all or any part of, or any combination of, a convention hall, auditorium, arena, meeting rooms, exhibition area, and related adjacent public areas that are generally available to the public for lease on a short-term basis for holding conventions, meetings, exhibits, and similar events, together with real or personal property, and easements above, on, or under the surface of real or personal property, used or intended to be used for holding conventions, meetings, exhibits, and similar events, together with appurtenant property, including covered walkways, parking lots, or structures, necessary and convenient for use in connection with the convention facility. Convention facility includes an ~~adjacent~~ **ATTACHED** arena with a seating capacity not exceeding ~~10,000~~ **13,000**. Convention facility does not include an ~~adjacent~~ **ANY** arena with a seating capacity exceeding ~~10,000~~ **13,000**.

(d) "Develop" means to plan, acquire, construct, improve, enlarge, maintain, renew, renovate, repair, replace, lease, equip, furnish, market, promote, manage, or operate.

(e) "Fiscal year" means an annual period that begins on ~~July~~ **OCTOBER 1** and ends on ~~June~~ **SEPTEMBER 30** or the fiscal year for an authority established by the board of the authority.

(f) "Legislative body" means the elected body of a local government possessing the legislative power of the local government.

(g) "Local chief executive officer" means the mayor or city manager of a city or the county executive of a county or, if a county does not have a county executive, the chairperson of the county board of commissioners.

(h) "Local government" means a county or city. For purposes of sections 17(1)(t) and 19 other than section 19(1)(f), local government includes a building authority or downtown development authority created by a county or city under 1975 PA 197, MCL 125.1651 to 125.1681.

(i) "Qualified city" means a city with a population of more than 700,000 according to the most recent decennial census that contains a qualified convention facility.

(j) "Qualified county" means a county that contains a qualified city.

(k) "Qualified convention facility" means a publicly owned convention facility with not less than 600,000 square feet of usable exhibition area and that is located in a qualified city.

(l) "Qualified metropolitan area" means a geographic area of this state that includes a qualified city, a qualified county, and the 2 counties bordering the qualified county with the largest populations according to the most recent decennial census.

(m) "Transfer date" means the **EARLIER OF THE FOLLOWING:**

(i) **THE** date 90 days after the creation of an authority under section 7 on which the right, title, interest, ownership, and control of a qualified convention facility are conveyed and transferred from a qualified city to an authority, **ONLY** if the transfer is not disapproved as provided under section 19(1).

**(ii) THE EFFECTIVE DATE OF A LEASE AGREEMENT PROVIDING FOR THE LEASE OF A QUALIFIED CONVENTION FACILITY TO AN AUTHORITY CREATED UNDER SECTION 7 AS PROVIDED UNDER SECTION 19(1). IN THE EVENT THAT THE QUALIFIED CONVENTION FACILITY IS TRANSFERRED TO THE AUTHORITY BY WAY OF A LEASE, REFERENCES IN THIS ACT TO TRANSFER OF TITLE OR CONVEYANCE OF TITLE SHALL BE INTERPRETED TO MEAN THE EFFECTUATION OF THE TRANSFER OR CONVEYANCE BY WAY OF A LEASE AND NOT IN FEE.**

Sec. 7. (1) For an area of this state that is a qualified metropolitan area on the effective date of this act, an authority is created for the qualified metropolitan area on the effective date of this act. For an area of this state that becomes a qualified metropolitan area after the effective date of this act, an authority is created for the qualified metropolitan area on the date the area became a qualified metropolitan area. An authority created under this section shall be a municipal public body corporate and politic and a metropolitan authority authorized by section 27 of article VII of the state constitution of 1963 and shall possess the powers, duties, and jurisdictions vested in the authority under this act and other laws. The authority shall not be an authority or agency of this state. The name of an authority created under this section shall include the name of the qualified city located within the qualified metropolitan area and the phrase "regional convention facility authority".

(2) Before the transfer date, an authority may organize and exercise all powers, duties, and jurisdictions granted under this act, except the powers, duties, and jurisdictions related to the management ~~;~~ **AND** operation ~~;~~ **and development** of a qualified convention facility. On the transfer date, an authority is vested with the additional powers, duties, and jurisdictions under this act related to the management, operation, and development of a qualified convention facility.

(3) It is the intent of the legislature that the transfer **OR LEASE** of a qualified convention facility from a qualified city to an authority under this act and any payment required under section 19(9) represents at least a fair exchange of value for value for the qualified city considering, without limitation, all of the following:

(a) The net value of the qualified convention facility prior to the transfer date after deducting deferred maintenance obligations, operational deficits, repair or expansion needs, and other liabilities related to the qualified convention facility that are obligations of the qualified city.

(b) The benefits to the qualified city resulting from the transfer **OR LEASE** of the qualified convention facility to the authority, including, but not limited to, assumption or payment of debt obligations of the qualified city by the authority, reductions in costs, liabilities or other obligations of the qualified city, additional revenues or other money not otherwise available for the qualified convention facility, and the positive economic impact to the qualified city likely to be generated by the operation of the qualified convention facility by the authority or any expansion or improvement of the qualified convention facility by the authority, especially economic impact resulting in the creation or retention of jobs and capital investment.

(c) Any bond proceeds, debt service payments, or other money payable directly or indirectly to the qualified city after the transfer date under this act, the state convention facility development act, 1985 PA 106, MCL 207.621 to 207.640, or the health and safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

(4) The property of an authority created under this act is public property devoted to an essential public and governmental purpose. Income of the authority is for a public and governmental purpose.

(5) Except as otherwise provided in this subsection, the property of the authority created under this act and its income, activities, and operations are exempt from all taxes and special assessments of this state or a political subdivision of this state. Property of an authority and its income, activities, and operations that are leased to private persons are not exempt from any tax or special assessment of this state or a political subdivision of this state. Property of an authority is exempt from any ad valorem property taxes levied under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, or other law of this state authorizing the taxation of real or personal property. An authority is an entity of government for purposes of section 4a(1)(a) of the general sales tax act, 1933 PA 167, MCL 205.54a, and section ~~4h-4(1)(H)~~ of the use tax act, 1937 PA 94, MCL ~~205.94h~~ **205.94**.

(6) The validity of the creation of an authority shall be conclusively presumed unless questioned in an original action filed in the court of appeals within 60 days after the creation of the authority under this section. The court of appeals has original jurisdiction to hear an action under this subsection. The court shall hear the action in an expedited manner.

**(7) THE VALIDITY OF THE TRANSFER OR LEASE OF A QUALIFIED CONVENTION FACILITY TO AN AUTHORITY UNDER THIS ACT SHALL BE CONCLUSIVELY PRESUMED UNLESS QUESTIONED IN AN ORIGINAL ACTION FILED IN THE COURT OF APPEALS WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, OR FOR A METROPOLITAN AREA THAT BECOMES A QUALIFIED METROPOLITAN AREA AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, 75 DAYS AFTER THE DATE ON WHICH THE METROPOLITAN AREA BECOMES A QUALIFIED METROPOLITAN AREA. THE COURT OF APPEALS HAS ORIGINAL JURISDICTION TO HEAR AN ACTION UNDER THIS SUBSECTION. THE COURT SHALL HEAR THE ACTION IN AN EXPEDITED MANNER.**

Sec. 11. (1) Within not more than 30 days following appointment of the members of a board, the board shall hold its first meeting at a date and time determined by the individual appointed under section 9(1)(a). The board members shall elect from among the board members an individual to serve as chairperson of the board and may elect other officers as the board considers necessary. All officers shall be elected annually by the board. All actions of the board under this act shall require the unanimous consent of all serving members of the board, excluding any members prohibited from voting on an action due to a conflict of interest under section 15.

(2) The business of the board shall be conducted at a public meeting of the board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. A board shall adopt bylaws consistent with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, governing its procedures and the holding of meetings. After organization, a board shall adopt a schedule of regular meetings and adopt a regular meeting date, place, and time. A special meeting of the board may be called by the chairperson of the board or as provided in bylaws adopted by the board. Notice of a special meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(3) A board shall keep a written or printed record of each meeting, which record and any other document or record prepared, owned, used, in the possession of, or retained by the authority in the performance of an official function shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(4) A board shall provide for a system of accounts for the authority to conform to a uniform system required by law and for the auditing of the accounts of an authority. The board shall obtain an annual audit of the authority by an independent certified public accountant and report on the audit and auditing procedures in the manner provided by sections 6 to 13 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.426 to 141.433. The audit also shall be in accordance with generally accepted government auditing standards and shall satisfy federal regulations relating to federal grant compliance audit requirements.

(5) Before the beginning of each fiscal year, a board shall cause to be prepared a budget for the authority containing an itemized statement of the estimated current operational expenses and the expenses for capital outlay including funds for the operation and development of convention facilities under the jurisdiction of the board, including the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the authority maturing during the next fiscal year or that have previously matured and are unpaid, and an estimate of the estimated revenue of the authority from all sources for the next fiscal year. The board shall adopt a budget as for the fiscal year in accordance with the uniform budget and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

(6) A board shall provide for the purchase of, the contracting for, and the providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and all other items as needed by the authority to efficiently and effectively meet the needs of the authority using competitive procurement methods to secure the best value for the authority. The board shall make all discretionary decisions concerning the solicitation, award, amendment, cancellation, and appeal of authority contracts. A board shall provide for the acquisition of professional services, including, but not limited to, architectural services, engineering services, surveying services, accounting services, services related to the issuance of bonds, and legal services, in accordance with a competitive, qualifications-based selection process and procedure for the type of professional service required by the authority. An authority is not required to use competitive bidding when acquiring proprietary services, equipment, or information available from a single source, such as a software license agreement. An authority may enter into a cooperative purchasing agreement with the federal government, this state, or other public entities for the purchase of goods or services necessary for the authority. An authority may enter into lease purchases or installment purchases for periods not exceeding the anticipated useful life of the items purchased unless otherwise prohibited by law. In all purchases made by the authority, all other things being equal, preference shall be given first to products manufactured or services offered by firms based in the authority's qualified metropolitan area, including, but not limited to, ~~each~~ **THE** qualified city and ~~qualified~~ **EACH** county in the qualified metropolitan area, and next to firms based in this state, if consistent with ~~federal~~ **APPLICABLE** law. **THE AUTHORITY SHALL ACTIVELY SOLICIT LISTS OF POTENTIAL BIDDERS FOR AUTHORITY CONTRACTS FROM EACH QUALIFIED CITY AND EACH COUNTY IN THE QUALIFIED METROPOLITAN AREA.** Except as otherwise provided in this section, the authority shall utilize competitive solicitation for all purchases authorized under this act unless 1 or more of the following apply:

(a) Procurement of goods or services is necessary for the imminent protection of public health or safety or to mitigate an imminent threat to public health or safety, as determined by the authority or its chief executive officer.

(b) Procurement of goods or services is for emergency repair or construction caused by unforeseen circumstances when the repair or construction is necessary to protect life or property.

(c) Procurement of goods or services is in response to a declared state of emergency or state of disaster under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421.

(d) Procurement of goods or services is in response to a declared state of emergency under 1945 PA 302, MCL 10.31 to 10.33.

(e) Procurement of goods or services is in response to a declared state of energy emergency under 1982 PA 191, MCL 10.81 to 10.89.

(f) Procurement of goods or services is under a cooperative purchasing agreement with the federal government, this state, or more public entities for the purchase of goods and services necessary at fair and reasonable prices using a competitive procurement method for authority operations.

(g) The value of the procurement is less than \$5,000.00, and the board has established policies or procedures to ensure that goods or services with a value of less than \$5,000.00 are purchased by the board at fair and reasonable prices. Procurement of goods or services with a value of less than \$5,000.00 may be negotiated with or without using competitive bidding as authorized in a procurement policy adopted by the board.

(7) A board may not enter into any cost plus construction contract unless all of the following apply:

(a) The contract cost is less than \$50,000.00.

(b) The contract is for emergency repair or construction caused by unforeseen circumstances.

(c) The repair or construction is necessary to protect life or property.

(d) The contract complies with requirements of applicable state or federal law.

(8) The board shall adopt a procurement policy consistent with the requirements of this act and federal and state laws relating to procurement. **THE PROCUREMENT POLICY SHALL INCLUDE A REQUIREMENT FOR THE AUTHORITY TO USE ITS BEST EFFORTS WITHIN THE COMPETITIVE SOLICITATION REQUIREMENTS OF THIS SECTION TO ACHIEVE FAIRNESS IN THE NUMBER AND VALUE OF CONTRACTS FOR GOODS OR SERVICES ENTERED INTO BY THE AUTHORITY WITH FIRMS BASED IN THE QUALIFIED CITY AND EACH COUNTY WITHIN THE QUALIFIED METROPOLITAN AREA, CONSISTENT WITH APPLICABLE LAW.** The board shall adopt a policy to govern the control, supervision, management, and oversight of each contract to which the authority is a party. The board shall adopt procedures to monitor the performance of each contract including, but not limited to, a contract that exists on **THE** transfer date, to assure execution of the contract within the budget and time periods provided under the contract. The monitoring shall include oversight as to whether the contract is being performed in compliance with the terms of the contract, this act, and federal and state law procurement law. The chief executive officer or other authorized employee of an authority



shall not sign or execute a contract until the contract is approved by the board. A board for an authority shall establish policies to ensure that the authority does not enter into a procurement or employment contract with a person who has been convicted of a criminal offense incident to the application for or performance of a contract or subcontract with a governmental entity in this state. A board for an authority shall establish policies to ensure that the authority does not enter into a procurement or employment contract with a person who has been convicted of a criminal offense, or held liable in a civil proceeding, that negatively reflects on the person's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes, or similar laws. **THE AUTHORITY SHALL PREPARE AN ANNUAL REPORT TO THE BOARD, THE QUALIFIED CITY, AND EACH COUNTY WITHIN THE QUALIFIED METROPOLITAN AREA DETAILING ALL CONTRACTS ENTERED INTO BY THE AUTHORITY DURING THE IMMEDIATELY PRECEDING FISCAL YEAR.** As used in this subsection, if a person is a business entity, person includes affiliates, subsidiaries, officers, directors, managerial employees, and any person who, directly or indirectly, holds a pecuniary interest in that business entity of 20% or more. **NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED AS CREATING A QUOTA OR SET-ASIDE FOR ANY QUALIFIED CITY OR ANY COUNTY IN THE QUALIFIED METROPOLITAN AREA.**

(9) A board may employ personnel as the board considers necessary to assist the board in performing the power, duties, and jurisdictions of the authority, including, but not limited to, employment of a chief executive officer as authorized under section 13. **THE BOARD SHALL ADOPT AN EMPLOYMENT POLICY THAT INCLUDES A REQUIREMENT FOR THE AUTHORITY TO USE BEST EFFORTS TO ACHIEVE FAIRNESS IN THE HIRING OF EMPLOYEES FROM AMONG RESIDENTS OF THE QUALIFIED CITY AND EACH COUNTY WITHIN THE QUALIFIED METROPOLITAN AREA, CONSISTENT WITH APPLICABLE LAW. NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED AS CREATING A QUOTA OR SET-ASIDE FOR ANY QUALIFIED CITY OR ANY COUNTY IN THE QUALIFIED METROPOLITAN AREA.**

(10) A board shall establish policies to assure that the board and the authority shall not do either of the following:

(a) Fail or refuse to hire, recruit, or promote; demote; discharge; or otherwise discriminate against a person with respect to employment, compensation, or a term, condition, or privilege of employment, or a contract with the authority because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job, position, or contract.

(b) Limit, segregate, or classify an employee, a contractor, or applicant for employment or a contract in a way that deprives or tends to deprive the employee, contractor, or applicant of an employment opportunity or otherwise adversely affects the status of an employee, contractor, or applicant because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position.

(11) **NOT LESS THAN 60 DAYS AFTER THE TRANSFER DATE, AN AUTHORITY SHALL ESTABLISH A CITIZENS ADVISORY COUNCIL TO PROVIDE PUBLIC INPUT AND ADVISE THE BOARD ON THE IMPACT OF REDEVELOPMENT AND MANAGEMENT OF A QUALIFIED CONVENTION FACILITY UPON THE QUALIFIED CITY AND EACH COUNTY WITHIN THE QUALIFIED METROPOLITAN AREA. THE ADVISORY COUNCIL SHALL CONSIST OF 8 MEMBERS, INCLUDING 1 RESIDENT OF THE QUALIFIED CITY APPOINTED BY THE LOCAL CHIEF EXECUTIVE OFFICER OF THE QUALIFIED CITY, 1 RESIDENT OF THE QUALIFIED CITY APPOINTED BY THE LEGISLATIVE BODY OF THE QUALIFIED CITY, 1 COUNTY RESIDENT APPOINTED AS A COUNCIL MEMBER BY EACH LOCAL CHIEF EXECUTIVE OFFICER FOR EACH COUNTY WITHIN THE QUALIFIED METROPOLITAN AREA, AND 1 COUNTY RESIDENT APPOINTED AS A COUNCIL MEMBER BY THE LEGISLATIVE BODY FOR EACH COUNTY WITHIN THE QUALIFIED METROPOLITAN AREA. AN ELECTED STATE OR LOCAL OFFICIAL IS NOT ELIGIBLE TO SERVE AS A MEMBER OF THE CITIZENS ADVISORY COUNCIL. MEMBERS OF THE ADVISORY COUNCIL SHALL BE APPOINTED FOR TERMS OF 4 YEARS. A VACANCY ON THE ADVISORY COUNCIL ARISING OTHER THAN BY EXPIRATION OF A TERM SHALL BE FILLED FOR THE REMAINDER OF A TERM IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT. THE BUSINESS OF THE ADVISORY COUNCIL SHALL BE CONDUCTED AT A PUBLIC MEETING HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275. PUBLIC NOTICE OF THE TIME, DATE, AND PLACE OF THE MEETING SHALL BE GIVEN IN THE MANNER REQUIRED BY THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275. THE ADVISORY COUNCIL SHALL ADOPT BYLAWS CONSISTENT WITH THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275, GOVERNING ITS PROCEDURES AND THE HOLDING OF MEETINGS. AFTER ORGANIZATION, THE ADVISORY COUNCIL SHALL ADOPT A SCHEDULE OF REGULAR MEETINGS AND ADOPT A REGULAR MEETING DATE, PLACE, AND TIME. THE ADVISORY COUNCIL SHALL KEEP A WRITTEN OR PRINTED RECORD OF EACH MEETING, WHICH RECORD AND ANY OTHER DOCUMENT OR RECORD PREPARED, OWNED, USED, IN THE POSSESSION OF, OR RETAINED BY THE ADVISORY COUNCIL IN THE PERFORMANCE OF AN OFFICIAL FUNCTION SHALL BE MADE AVAILABLE TO THE**



**PUBLIC IN COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. AN ADVISORY COUNCIL SHALL ORGANIZE AND MAKE ITS OWN POLICIES AND PROCEDURES AND SHALL ADOPT BYLAWS NOT INCONSISTENT WITH THIS ACT GOVERNING ITS OPERATIONS. THE ADVISORY COUNCIL MAY REQUEST AND SHALL RECEIVE FROM THE AUTHORITY INFORMATION AND TECHNICAL ASSISTANCE RELATING TO THE DEVELOPMENT AND MANAGEMENT OF THE QUALIFIED CONVENTION FACILITY. FAILURE OF THE ADVISORY COUNCIL TO ORGANIZE, MEET, OR PERFORM STATUTORY FUNCTIONS SHALL NOT PREVENT THE BOARD OR THE AUTHORITY FROM PERFORMING AUTHORIZED ACTIVITIES. A MEMBER OF THE CITIZENS ADVISORY COUNCIL SHALL NOT BE COMPENSATED FOR BEING A MEMBER NOR SHALL A MEMBER BE REIMBURSED FOR ANY EXPENSES INCURRED AS A MEMBER OF THE CITIZENS ADVISORY COUNCIL.**

Sec. 19. (1) ~~Within 45 days of the effective date of this act~~ **JANUARY 20, 2009** or the date on which a metropolitan area becomes a qualified metropolitan area and prior to a transfer date, the legislative body of the qualified city in which a qualified convention facility is located may disapprove the transfer of the qualified convention facility to the authority by adopting a resolution disapproving the transfer. If the transfer is not disapproved, the qualified convention facility is transferred to the authority on the ninetieth day after ~~the effective date of this act~~ **JANUARY 20, 2009** or the date on which a convention facility becomes a qualified convention facility. **IF THE TRANSFER IS DISAPPROVED, NOT LATER THAN AUGUST 1, 2009 OR 75 DAYS AFTER A LATER DATE ON WHICH A METROPOLITAN AREA BECOMES A QUALIFIED METROPOLITAN AREA, THE QUALIFIED CITY IN WHICH A QUALIFIED CONVENTION FACILITY IS LOCATED MAY DISAPPROVE LEASING THE QUALIFIED CONVENTION FACILITY TO THE AUTHORITY BY ADOPTING A RESOLUTION DISAPPROVING A LEASE OF THE QUALIFIED CONVENTION FACILITY TO THE AUTHORITY. THE RESOLUTION SHALL BE ADOPTED AND EFFECTIVE AS PROVIDED BY LAW, INCLUDING ANY CHARTER OF THE QUALIFIED CITY. IF A RESOLUTION DISAPPROVING THE LEASE IS ADOPTED AND EFFECTIVE, AN AUTHORITY CREATED FOR THE QUALIFIED METROPOLITAN AREA IN WHICH THE QUALIFIED CONVENTION FACILITY IS LOCATED IS DISSOLVED. IF THE LEASE IS NOT DISAPPROVED WITHIN THE PERIOD PROVIDED, THE QUALIFIED CONVENTION FACILITY WILL BE CONSIDERED LEASED TO THE AUTHORITY AND THE LOCAL CHIEF EXECUTIVE OFFICER OF THE QUALIFIED CITY AND THE AUTHORITY SHALL ENTER INTO A LEASE AGREEMENT, PROVISIONS OF WHICH ARE PRESCRIBED IN THIS ACT, AND SHALL PROVIDE FOR THE LEASE OF THE QUALIFIED CONVENTION FACILITY TO THE AUTHORITY FOR A TERM OF NOT LESS THAN 30 YEARS OR THE TIME PERIOD NECESSARY TO REPAY THE OUTSTANDING OBLIGATIONS ISSUED BY THE AUTHORITY UNDER SECTIONS 25 AND 27, WHICHEVER IS EARLIER. THE LEASE SHALL REQUIRE THE AUTHORITY TO RENOVATE, REHABILITATE, AND EXPAND THE QUALIFIED CONVENTION FACILITY. THE LEASE SHALL BE EFFECTIVE 238 DAYS AFTER JANUARY 20, 2009 OR THE DATE ON WHICH A METROPOLITAN AREA BECOMES A QUALIFIED METROPOLITAN AREA.** All of the following shall occur on a transfer date:

(a) All right, title, and interest of a local government in and to a qualified convention facility located in a qualified metropolitan area shall by operation of this act be conveyed and transferred **OR LEASED** from the local government to the authority for the qualified metropolitan area, and the authority shall receive, succeed to, and assume the exclusive right, responsibility, and authority to own **OR LEASE**, occupy, operate, control, develop, and use the qualified convention facility from and after the transfer date, including, but not limited to, all real property, buildings, improvements, structures, easements, rights of access, and all other privileges and appurtenances pertaining to the qualified convention facility, subject only to those restrictions imposed by this act. **IF A QUALIFIED CONVENTION FACILITY IS LEASED TO AN AUTHORITY UNDER THIS SUBSECTION, THIS SUBDIVISION SHALL APPLY WHILE THE LEASE AGREEMENT IS EFFECTIVE.**

(b) All right, title, and interest in and to the fixtures, equipment, materials, furnishings, and other personal property of a local government owned or controlled **BY THE LOCAL GOVERNMENT** and used for purposes of the qualified convention facility by the local government shall by operation of this act be conveyed and transferred **OR LEASED** from the local government to the authority for the qualified metropolitan area, and the authority shall receive, succeed to, and assume the exclusive right, responsibility, and authority to possess and control the property from and after the transfer date. **IF A QUALIFIED CONVENTION FACILITY IS LEASED TO AN AUTHORITY UNDER THIS SUBSECTION, THIS SUBDIVISION SHALL APPLY WHILE THE LEASE AGREEMENT IS EFFECTIVE.**

(c) All licenses, permits, approvals, or awards of a local government related to the ~~ownership~~-**POSSESSION**, occupancy, operation, control, development, or use of a qualified convention facility by the local government shall by operation of this act be conveyed and transferred from the local government to the authority for the qualified metropolitan area and be assumed by the authority. **IF A QUALIFIED CONVENTION FACILITY IS LEASED TO AN AUTHORITY UNDER THIS SUBSECTION, THIS SUBDIVISION SHALL APPLY WHILE THE LEASE AGREEMENT IS EFFECTIVE.**

(d) All grant agreements, grant preapplications, grant applications, rights to receive the balance of any funds payable under the agreements or applications, the right to receive any amounts payable from and after the transfer date, and the benefits of contracts or agreements of a local government related to the ~~ownership~~-**POSSESSION**, occupancy, operation, control, development, or use of a qualified convention facility by the local government shall by operation of this act be conveyed and transferred from the local government to the authority for the qualified metropolitan area and be assumed by the authority. **IF**

**A QUALIFIED CONVENTION FACILITY IS LEASED TO AN AUTHORITY UNDER THIS SUBSECTION, THIS SUBDIVISION SHALL APPLY WHILE THE LEASE AGREEMENT IS EFFECTIVE.**

(e) All of the duties, liabilities, responsibilities, and obligations of a local government related to the ~~ownership~~ **POSSESSION**, occupancy, operation, control, development, or use of a qualified convention facility by the local government shall by operation of this act be conveyed and transferred from the local government to the authority for the qualified metropolitan area and assumed by the authority, except for any liabilities, responsibilities, or obligations that are contested in good faith by ~~or~~ ~~as of the transfer date, unknown to, the authority, or as otherwise provided in this act.~~ **IF A QUALIFIED CONVENTION FACILITY IS LEASED TO AN AUTHORITY UNDER THIS SUBSECTION, THIS SUBDIVISION SHALL APPLY WHILE THE LEASE AGREEMENT IS EFFECTIVE.**

(f) An authority for a qualified metropolitan area shall assume all of the outstanding securities of the local government that are special limited obligations payable from and secured by a lien on distributions received under the state convention facility development act, 1985 PA 106, MCL 207.621 to 207.640, and were originally issued to finance the acquisition or construction of, development of, or improvements to the qualified convention facility conveyed and transferred to the authority for the qualified metropolitan area under this section, and the authority may refund or defease the securities. If the authority refunds the outstanding securities assumed under this subsection, that refunding shall be considered, as a matter of law, to be necessary to eliminate requirements of covenants applicable to the existing outstanding securities.

(2) An authority shall assume, accept, or become liable for lawful agreements, obligations, promises, covenants, commitments, and other requirements of a local government relating to operating a qualified convention facility conveyed and transferred under this section, except as provided in subsection (4). An authority shall perform all of the duties and obligations and shall be entitled to all of the rights of a local government and under any agreements expressly assumed and accepted by the authority related to the transfer of a qualified convention facility from the local government to the authority under this section. **IF A QUALIFIED CONVENTION FACILITY IS LEASED TO AN AUTHORITY UNDER SUBSECTION (1), THIS SUBSECTION SHALL APPLY WHILE THE LEASE AGREEMENT IS EFFECTIVE.**

(3) The local chief executive officer of a local government from which the rights, responsibility, and authority to own, occupy, operate, control, develop, and use a qualified convention facility are conveyed and transferred **OR LEASED** from the local government to an authority for a qualified metropolitan area under this section shall execute the instruments of conveyance, assignment, and transfer **OR LEASE** or other documents as may, in the authority's and the officer's reasonable judgment, as **BE** necessary or appropriate to recognize, facilitate, or accomplish the transfer **OR LEASE** of the qualified convention facility from the local government to the authority under this section.

(4) An authority for a qualified metropolitan area shall not assume any unfunded obligations of a local government transferring **OR LEASING** a qualified convention facility under this section to provide pensions or retiree health insurance. Upon request by the authority, the local government shall provide the authority with a statement of the amount of the unfunded obligations, determined by a professional actuary acceptable to the authority.

(5) All lawful actions, commitments, and proceedings of a local government made, given, or undertaken before the transfer date and assumed by an authority under this section are ratified, confirmed, and validated upon assumption. All actions, commitments, or proceedings of the local government relating to a qualified convention facility in the process of being undertaken by, but not yet a commitment or obligation of, the local government regarding the qualified convention facility may, from and after the date of assumption by the authority under this section, be undertaken and completed by the authority in the manner and at the times provided in this act or other applicable law and in any lawful agreements made by the local government before the date of assumption by the authority under this section.

(6) The exclusive right and authorization to ~~own~~ **POSSESS**, occupy, operate, control, develop, and use a qualified convention facility transferred **OR LEASED** under this section shall include, but not be limited to:

(a) ~~Ownership~~ **POSSESSION** and operational jurisdiction over all real property of the qualified convention facility, subject to any liens of record and legal restrictions and limitations on the use of the property.

(b) The local government's right, title, and interest in, and all of the local government's responsibilities arising under, operating leases and concessions relating to a qualified convention facility.

(7) The transfers described under this section shall include, but need not be limited to, all of the following:

(a) All contracts with licensees, franchisees, tenants, concessionaires, and leaseholders.

(b) All operating financial obligations secured by revenues and fees generated from the operations of the qualified convention facility.

(c) All cash balances and investments relating to or resulting from operations of the qualified convention facility, all funds held under an ordinance, resolution, or indenture related to or securing obligations of the local government assumed by the authority, and all of the accounts receivable or choses in action arising from operations of the qualified convention facility. Fund transfers under this subdivision are limited to funds received after the transfer date and funds necessary to pay obligations related to the operation of the qualified convention facility accrued before the transfer date and not paid by the local government.

(d) All office equipment, including, but not limited to, computers, records and files, software, and software licenses required for financial management, personnel management, accounting and inventory systems, and general administration.

(8) The transfer **OR LEASE** of the real and personal property and operational jurisdiction over a qualified convention facility to an authority may not in any way impair any contracts with licensees, franchisees, vendors, tenants, bondholders, or other

parties in privity with the local government that owned a qualified convention facility transferred **OR LEASED** to an authority under this section, if the contracts were not entered into or modified in violation of this act.

(9) From and after the transfer date, a local government from which a qualified convention facility has been transferred **OR LEASED** shall be relieved from all further costs, responsibility, and liability arising from, or associated with, control, operation, development, and maintenance of the qualified convention facility. The local government shall continue to be responsible for all costs associated with local municipal services, including ~~but not limited to~~, police, fire, and emergency medical services, without any additional compensation from the authority. ~~The AN authority CREATED PRIOR TO THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (14) shall provide for the payment of compensation not exceeding~~ **OF \$20,000,000.00 to the qualified city AS COMPENSATION** for any revenue otherwise payable to the qualified city from parking facilities operated by the qualified city at the qualified convention facility and for other costs incurred by the qualified city associated with the transfer **OR LEASE** of the qualified convention facility to the authority under this section. **IF THE TRANSFER OR LEASE OF PARKING FACILITIES TO THE AUTHORITY WOULD IMPAIR COVENANTS OF BONDS ISSUED BY THE LOCAL GOVERNMENT THAT OWNS THE QUALIFIED CONVENTION FACILITY TO FINANCE THE PARKING FACILITIES, THE AUTHORITY AND THE LOCAL GOVERNMENT MAY ENTER INTO AN AGREEMENT PROVIDING FOR THE LOCAL GOVERNMENT TO RETAIN TITLE TO AND CONTROL OF THE PARKING FACILITIES AND REVENUE GENERATED BY THE PARKING FACILITIES UNTIL THE COMPENSATION OF \$20,000,000.00 IS PAID BY THE AUTHORITY TO THE LOCAL GOVERNMENT TO AVOID A DEFAULT OF BOND COVENANTS BY THE LOCAL GOVERNMENT. IF A QUALIFIED CONVENTION FACILITY IS LEASED TO AN AUTHORITY UNDER SUBSECTION (1), THIS SUBSECTION SHALL APPLY WHILE THE LEASE AGREEMENT IS EFFECTIVE.**

(10) A local government that owns a qualified convention facility subject to transfer **OR LEASE** under this section or that owned a qualified convention facility transferred to an authority under this section shall comply with all of the following, before and after the transfer **DATE**:

(a) Refrain from any action to sell, transfer, or otherwise dispose of a qualified convention facility other than to the authority or incur new or expanded obligations related to qualified convention facility, without the consent of the authority.

(b) Refrain from any approval of or material modification to any collective bargaining agreement applicable to local government employees employed at or assigned to the qualified convention facility or to terms of employment for employees at or assigned to the qualified convention facility. Any approval or modification subject to this subsection shall be null and void.

(c) Refrain from any action that ~~in the authority's judgment~~, would impair the authority's exercise of the powers granted to the authority under this act or that would impair the efficient operation and management of the qualified convention facility by the authority.

(d) Take all actions reasonably necessary to cure any defects in title to the qualified convention facility and related property transferred **OR LEASED** under this section, including, but not limited to, providing documents, records, and proceedings in respect of title.

(e) At the request of an authority, grant any license, easement, or right-of-way in connection with the qualified convention facility to the extent the authority has not been empowered to take these actions.

(f) Upon creation ~~OF~~ an authority for the qualified metropolitan area in which the local government is located and before the transfer date, ~~may~~ **THE LOCAL GOVERNMENT SHALL** conduct operations, maintenance, and repair of the convention facility in the ordinary and usual course of business.

(11) Any contract, agreement, lease, sale, disposition, transfer, or other conveyance, easement, license, right, obligation, debt, or liability assumed, approved, entered into, amended, or modified in violation of this section shall be voidable as a matter of law to the extent that the authority would otherwise assume, become party to or transferee of, or otherwise be obligated under the contract, agreement, lease, sale, disposition, transfer, conveyance, easement, license, right, obligation, debt, or liability.

(12) Unless otherwise provided in this act, the local chief executive officer of a local government that owns a qualified convention facility subject to transfer **OR LEASE** under this section is authorized and shall take all reasonable steps to cancel or terminate any agreement to which the local government is a party that relates to the qualified convention facility and meets all the following criteria:

(a) The agreement relates to the qualified convention facility and the authority has not expressly assumed or accepted the agreement under subsection (2).

(b) The agreement provides for cancellation or termination.

(c) In the absence of cancellation or termination, the authority would become a party to the agreement by succession, assignment, operation of law, or any other involuntary means.

(13) If real property transferred from a qualified city to an authority under this section is no longer used by the authority for the purpose of maintaining or operating a convention facility as determined by a vote of the board **OR A LEASE AGREEMENT PROVIDING FOR THE LEASE OF THE QUALIFIED CONVENTION FACILITY IS NO LONGER EFFECTIVE**, all right, title, and interest of the authority in the real property shall revert from the authority to the qualified city ~~with the consent of the qualified city~~ and upon payment by the qualified city to the authority of an amount equal to the compensation paid to the qualified city under ~~section 19(9)~~ **SUBSECTION (9)**.

**(14) AFTER THE CREATION OF AN AUTHORITY FOR A QUALIFIED METROPOLITAN AREA AND BEFORE THE TRANSFER DATE, THE LOCAL CHIEF EXECUTIVE OFFICER OF THE QUALIFIED CITY THAT OWNS OR OPERATES A QUALIFIED CONVENTION FACILITY AND THE AUTHORITY MAY ENTER INTO AN AGREEMENT AUTHORIZING THE QUALIFIED CITY TO MAKE CAPITAL IMPROVEMENTS TO THE QUALIFIED CONVENTION FACILITY, INCLUDING, BUT NOT LIMITED TO, ELECTRICAL SYSTEM IMPROVEMENTS, WITH COSTS OF THE MANAGEMENT, DESIGN, AND CONSTRUCTION OF CAPITAL IMPROVEMENTS INCURRED BY THE QUALIFIED CITY IN AN AMOUNT NOT TO EXCEED \$3,000,000.00 TO BE REIMBURSED BY THE AUTHORITY WITH THE PROCEEDS OF BONDS ISSUED BY THE AUTHORITY AS PROVIDED IN THE AGREEMENT. ANY REIMBURSEMENT FOR CAPITAL IMPROVEMENTS AGREED TO BY THE LOCAL CHIEF EXECUTIVE OFFICER AND THE AUTHORITY UNDER THIS SUBSECTION SHALL BE IN ADDITION TO ANY COMPENSATION PAID TO THE QUALIFIED CITY UNDER SUBSECTION (9).**

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 95th Legislature are enacted into law:

- (a) Senate Bill No. 586.
- (b) Senate Bill No. 587.
- (c) Senate Bill No. 588.

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to amend 2008 PA 554, entitled “An act to create and provide for the incorporation of certain regional convention facility authorities; to provide for the membership of the authorities; to provide for the powers and duties of the authorities; to provide for the conveyance of ownership of and operational jurisdiction over certain convention facilities to authorities and to provide for the transfer of certain real and personal property utilized as convention facilities to authorities; to provide for the assumption of certain contracts, bonds, notes, and other evidences of indebtedness and liabilities related to convention facilities by authorities; to authorize the creation of certain funds; to authorize expenditures from certain funds; to finance the acquisition of land and the development of certain convention facilities and of public improvements or related facilities; to provide for the issuance of bonds and notes; to authorize certain investments; to provide for the transfer of public employees to the employment of authorities; to provide for the allocation of liabilities related to employee benefits; to protect certain rights of local government employees; and to impose certain powers and duties upon state and local departments, agencies, and officers,” by amending sections 5, 7, 11, and 19 (MCL 141.1355, 141.1357, 141.1361, and 141.1369).

Bert Johnson  
 Marie Donigan  
 John Walsh  
 Conferees for the House

Jason Allen  
 Judson Gilbert II  
 Tupac Hunter  
 Conferees for the Senate

Pending the order that, under joint rule 9, the conference report be laid over one day,

Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 378**

**Yeas—32**

Allen	Clark-Coleman	Jacobs	Prusi
Basham	Clarke	Jansen	Richardville
Birkholz	Cropsey	Jelinek	Sanborn
Bishop	George	Kuipers	Stamas
Brater	Gilbert	McManus	Switalski
Brown	Gleason	Olshove	Thomas
Cassis	Hardiman	Pappageorge	Van Woerkom
Cherry	Hunter	Patterson	Whitmer



**Nays—1**

Anderson

**Excused—4**

Barcia

Garcia

Kahn

Scott

**Not Voting—0**

In The Chair: Richardville

Senator Cropsey moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

By unanimous consent the Senate returned to the order of  
**Motions and Communications**

Senator Cropsey moved that, pursuant to rule 1.114, upon receipt of Senate bills returned from the House of Representatives, the Secretary of the Senate be directed to proceed with the enrollment printing and presentation of the bills to the Governor.

The motion prevailed.

By unanimous consent the Senate proceeded to the order of  
**Resolutions**

Senator Cropsey moved that consideration of the following resolution be postponed for today:

**Senate Resolution No. 41**

The motion prevailed.

**House Concurrent Resolution No. 24.**

A concurrent resolution prescribing the legislative schedule.

Resolved by the House of Representatives (the Senate concurring), That when the House of Representatives adjourns on Friday, June 26, 2009, it stands adjourned until Tuesday, July 14, 2009; and be it further

Resolved, That when the Senate adjourns on Friday, June 26, 2009, it stands adjourned until Tuesday, July 14, 2009, at 10:00 a.m.

The House of Representatives has adopted the concurrent resolution.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations and Reform,

Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The concurrent resolution was adopted.

Senator Hardiman stated that had he been present earlier today when the vote was taken on the adoption of the conference report to the following bill, he would have voted "yea":

**Senate Bill No. 586****Scheduled Meetings**

**Legislative Commission on Statutory Mandates** - Friday, June 26, 9:00 a.m., Oakland County Executive Office Building, Waterford Room, 1st Floor, Building 41-West, 2100 Pontiac Lake Road, Waterford (373-0212)



**Legislative Retirement Board of Trustees** - Thursdays, September 10 and December 3, 2:00 p.m., Room H-252, Capitol Building (373-0575)

**Subcommittee -**

**Investment** - Thursday, July 2, 2:00 p.m., Room 929, South Tower, House Office Building (373-0575)

Senator Cropsey moved that the Senate adjourn.  
The motion prevailed, the time being 1:04 a.m.

Pursuant to House Concurrent Resolution No. 24, the President pro tempore, Senator Richardville, declared the Senate adjourned until Tuesday, July 14, 2009, at 10:00 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate