

**SUBSTITUTE FOR
HOUSE BILL NO. 5691**

A bill to amend 1985 PA 106, entitled "State convention facility development act," by amending sections 3, 8, 9, 10, 12, and 20 (MCL 207.623, 207.628, 207.629, 207.630, 207.632, and 207.640), section 3 as amended by 2006 PA 609, sections 8, 9, and 10 as amended by 2007 PA 72, and section 12 as amended by 2002 PA 237.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

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

1 (b) "Commissioner" means the state treasurer.

2 (c) "Convention facility" means 1 or more facilities owned or
3 leased by a local governmental unit that are any combination of a
4 convention hall, auditorium, meeting rooms, and exhibition areas
5 that are separate and distinct and contiguous to each other, and
6 related adjacent public areas generally available to members of the
7 public for lease on a short-term basis for holding conventions,
8 meetings, exhibits, and similar events and the necessary site or
9 sites, together with appurtenant properties necessary and
10 convenient for use in connection with the facility.

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

15 (i) Located within a county having a population according to
16 the most recent decennial census of 750,000 or more.

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

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

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

23 **(E) "LOCAL GOVERNMENTAL UNIT" MEANS A COUNTY, TOWNSHIP, CITY,**
24 **VILLAGE, OR A METROPOLITAN AUTHORITY FORMED UNDER THE REGIONAL**
25 **CONVENTIONAL FACILITY AUTHORITY ACT.**

26 **(F) ~~(e)~~**"Person" means a natural person, partnership,
27 fiduciary, association, corporation, or other entity.

1 (G) ~~(F)~~—"Room charge" means the charge imposed for the use or
2 occupancy of accommodations, excluding charges for food, beverages,
3 telephone services, the use tax imposed under the use tax act, 1937
4 PA 94, MCL 205.91 to 205.111, or like services paid in connection
5 with the charge. Room charge does not include reimbursement of the
6 assessment imposed by the community convention or tourism marketing
7 act, 1980 PA 395, MCL 141.871 to 141.880, the convention and
8 tourism marketing act, 1980 PA 383, MCL 141.881 to ~~141.1889~~
9 **141.889**, or this act.

10 (H) ~~(G)~~—"Transient guest" means a natural person staying less
11 than 30 consecutive days.

12 Sec. 8. (1) The collections from the tax imposed by section 4
13 shall be deposited in the state treasury, to the credit of the
14 convention facility development fund, which is hereby created
15 within the state treasury. Collections from the additional tax
16 imposed under section 1207 of the Michigan liquor control code of
17 1998, 1998 PA 58, MCL 436.2207, **AND AMOUNTS DESIGNATED UNDER**
18 **SECTION 5 OF THE HEALTH AND SAFETY FUND ACT, 1987 PA 264, MCL**
19 **141.475**, shall also be deposited to the credit of the convention
20 facility development fund.

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

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

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

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

2 (d) General fund expenditures.

3 **(E) IN THE CASE OF A LOCAL GOVERNMENTAL UNIT THAT IS A**
4 **METROPOLITAN AUTHORITY, FOR ANY PURPOSE AUTHORIZED UNDER THE**
5 **REGIONAL CONVENTION FACILITY AUTHORITY ACT.**

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

11 Sec. 9. (1) ~~On~~**EXCEPT AS PROVIDED IN SUBSECTION (4), ON** or
12 before the thirtieth day of each month, the state treasurer shall
13 make a distribution from the convention facility development fund
14 to a qualified local governmental unit. The distribution shall be
15 an amount equal to the sum of the collections from the excise tax
16 levied for accommodations under this act for the previous month
17 from the convention hotels in the county in which the convention
18 facility is or is to be located and in any county in which
19 convention hotels are located that is contiguous to the county in
20 which the convention facility is located, or is to be located, ~~and~~
21 the additional tax imposed under section 1207 of the Michigan
22 liquor control code of 1998, 1998 PA 58, MCL 436.2207, for the
23 previous month received in the fund, **AND ANY DISTRIBUTION RECEIVED**
24 **UNDER SECTION 5(B) (iii) OF THE HEALTH AND SAFETY FUND ACT, 1987 PA**
25 **264, MCL 141.475.** However, distributions for any state fiscal year
26 to any qualified local governmental unit shall not exceed an amount
27 equal to the amount pledged, assigned, or dedicated by the

1 qualified local governmental unit pursuant to section 11 for the
2 payment during that state fiscal year of bonds, obligations, or
3 other evidences of indebtedness incurred for the purposes specified
4 in this act, plus any amount necessary to maintain a fully funded
5 debt reserve or other reserves intended to secure the principal and
6 interest on the bonds, obligations, or other evidences of
7 indebtedness as contained in the resolution or ordinance
8 authorizing their issuance.

9 (2) Notwithstanding the distributions provided by subsection
10 (1), if a local governmental unit becomes a qualified local
11 governmental unit entitled to receive distributions from the tax
12 imposed under section 1207 of the Michigan liquor control code of
13 1998, 1998 PA 58, MCL 436.2207, or from the tax imposed by this act
14 in counties in which the convention facility is located or in a
15 county in which a convention hotel is located that is contiguous to
16 the county in which the convention facility is located, no other
17 qualified local governmental unit is entitled to distributions
18 pursuant to this section for which that qualified local
19 governmental unit has previously become entitled, **UNTIL SUCH TIME**
20 **AS THAT QUALIFIED LOCAL GOVERNMENTAL UNIT OWNERSHIP OR LEASEHOLD**
21 **INTEREST DESCRIBED IN SUBSECTION (3) IS TRANSFERRED TO ANOTHER**
22 **LOCAL GOVERNMENTAL UNIT. IF THAT TRANSFER RENDERS THE TRANSFEREE A**
23 **QUALIFIED LOCAL GOVERNMENTAL UNIT, THE TRANSFEREE SHALL,**
24 **IMMEDIATELY UPON THAT TRANSFER, BE ENTITLED TO THE DISTRIBUTIONS TO**
25 **A QUALIFIED LOCAL GOVERNMENTAL UNIT PROVIDED IN SUBSECTION (1) AND**
26 **THE PRIORITY PROVIDED TO A QUALIFIED LOCAL GOVERNMENTAL UNIT IN**
27 **THIS SUBSECTION, NOTWITHSTANDING THAT THE AMOUNT OF THE**

1 **DISTRIBUTIONS MAY INCREASE AS A RESULT OF THAT TRANSFER.**

2 (3) As used in this act, "qualified local governmental unit"
3 means a city, village, township, county, or authority that is
4 located in, **OR INCLUDES WITHIN ITS TERRITORY OR JURISDICTION,** a
5 county in which convention hotels are located and that either is
6 the owner or lessee of a convention facility with 350,000 square
7 feet or more of total exhibit space on July 30, 1985 or, if such a
8 convention facility does not exist, will be the owner or lessee of
9 a convention facility with 350,000 square feet or more of total
10 exhibit space through the application of distributions under this
11 section to the purchase or lease of a convention facility.

12 ~~———— (4) Notwithstanding any other provision of this act, after the~~
13 ~~distributions under subsection (1), and before any distributions~~
14 ~~under section 10, for fiscal year 2004-2005 only, \$1,075,000.00~~
15 ~~shall be distributed to the state sports tourism fund. The money~~
16 ~~distributed to the state sports tourism fund described in this~~
17 ~~subsection, including any funds appropriated in fiscal year 2005-~~
18 ~~2006 from the state convention facility development fund, shall be~~
19 ~~deducted from the money described in section 10(2)(a) before any~~
20 ~~distribution is made under section 10(2)(a).~~

21 ~~———— (5) The state sports tourism fund is created within the state~~
22 ~~treasury.~~

23 ~~———— (6) The state treasurer may receive money or other assets from~~
24 ~~any source for deposit into the state sports tourism fund. The~~
25 ~~state treasurer shall direct the investment of the state sports~~
26 ~~tourism fund. The state treasurer shall credit to the state sports~~
27 ~~tourism fund interest and earnings from the state sports tourism~~

1 ~~fund investments.~~

2 ~~—— (7) Money in the state sports tourism fund at the close of the~~
3 ~~fiscal year shall remain in the state sports tourism fund and shall~~
4 ~~not lapse to the general fund. However, money remaining in the fund~~
5 ~~on September 30, 2006, shall lapse to the convention facility~~
6 ~~development fund.~~

7 ~~—— (8) The department of treasury shall expend money from the~~
8 ~~state sports tourism fund, upon appropriation, only for grants to~~
9 ~~Super Bowl XL host committee functions related to hosting, staging,~~
10 ~~or execution of Super Bowl XL activities or to reimburse a county~~
11 ~~not more than \$500,000.00 for contributions or grants already made~~
12 ~~to the Super Bowl XL host committee for functions related to~~
13 ~~hosting, staging, or execution of Super Bowl XL activities. Money~~
14 ~~shall not be distributed to the state sports tourism fund that~~
15 ~~impairs obligations, bonds, or other evidences of indebtedness~~
16 ~~issued under this act.~~

17 ~~—— (9) The department of treasury shall expend money from the~~
18 ~~state sports tourism fund, upon appropriation of not more than~~
19 ~~\$1,000,000.00, for Super Bowl XL host committee functions related~~
20 ~~to security operations of Super Bowl XL activities. Money shall not~~
21 ~~be distributed to the state sports tourism fund that impairs~~
22 ~~obligations, bonds, or other evidences of indebtedness issued under~~
23 ~~this act.~~

24 ~~—— (10) Notwithstanding any other provision of this act, after~~
25 ~~the distributions under subsection (1) and before any distributions~~
26 ~~under section 10, for the fiscal year ending September 30, 2007~~
27 ~~only, \$35,000,000.00 is transferred to the general fund and is~~

1 ~~appropriated for general fund expenditures.~~

2 (4) BEFORE THE 2015-2016 FISCAL YEAR, COLLECTIONS FROM THE
3 EXCISE TAX LEVIED FOR ACCOMMODATIONS UNDER THIS ACT AND COLLECTIONS
4 FROM THE TAX IMPOSED UNDER SECTION 1207 OF THE MICHIGAN LIQUOR
5 CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207, SHALL NOT BE PAID
6 TO A QUALIFIED LOCAL GOVERNMENTAL UNIT FOR THE REPAYMENT OF BONDS,
7 OBLIGATIONS, OR OTHER EVIDENCES OF INDEBTEDNESS INCURRED AFTER
8 2007.

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

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

16 (a) ~~An~~ FOR FISCAL YEARS BEFORE THE 2015-2016 FISCAL YEAR, AN
17 amount equal to the difference, if any, between the tax imposed
18 under this act in the preceding state fiscal year that is
19 designated under section 9 to a qualified local governmental unit
20 and the tax imposed under this act that is designated under section
21 9 in the state fiscal year immediately preceding the preceding
22 state fiscal year for the same local governmental unit shall be
23 distributed to that local governmental unit. This subdivision does
24 not apply unless a tax has been imposed under this act in the
25 entire 2 state fiscal years immediately preceding the state fiscal
26 year in which a distribution under this subdivision is made. Any
27 amount distributed under this subdivision shall be used by the

1 local governmental unit only for the retirement of outstanding
2 bonds, obligations, or other evidences of indebtedness incurred for
3 which distributions under section 9 are pledged. A distribution
4 under this subdivision shall not be made to the extent that the
5 obligations, bonds, or other evidences of indebtedness cannot be
6 retired or are not outstanding.

7 (b) ~~An~~ **FOR FISCAL YEARS BEFORE THE 2015-2016 FISCAL YEAR, AN**
8 amount equal to that portion of the liquor tax collected under
9 section 1207 of the Michigan liquor control code of 1998, 1998 PA
10 58, MCL 436.2207, ~~from licensees in counties in which convention~~
11 ~~hotels are not located~~ shall be distributed to ~~those counties in~~
12 ~~which convention hotels are not located~~ **ALL COUNTIES, WITH THE**
13 **DISTRIBUTION TO BE ALLOCATED TO EACH COUNTY** in the same proportion
14 that the amount of tax collected under section 1207 of the Michigan
15 liquor control code of 1998, 1998 PA 58, MCL 436.2207, in the
16 preceding state fiscal year from the licensees in a county bears to
17 the total tax collections under section 1207 of the Michigan liquor
18 control code of 1998, 1998 PA 58, MCL 436.2207, in the preceding
19 state fiscal year from all counties in which convention hotels are
20 not located.

21 (c) ~~The~~ **FOR FISCAL YEARS BEFORE THE 2015-2016 FISCAL YEAR, THE**
22 remaining money available after distributions under subdivisions
23 (a) and (b) shall be distributed to each county in the following
24 amounts:

25 (i) The amount of money available to be distributed under this
26 subdivision multiplied by the percentage of collections in the
27 preceding state fiscal year under section 1207 of the Michigan

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

11 (ii) The amount of money available to be distributed under this
12 subdivision multiplied by the percentage of collections in the
13 preceding state fiscal year under section 1207 of the Michigan
14 liquor control code of 1998, 1998 PA 58, MCL 436.2207, from
15 licensees in counties in which convention hotels are located shall
16 be distributed to each county in which convention hotels are
17 located in the same proportion that the amount of tax collected
18 pursuant to section 1207 of the Michigan liquor control code of
19 1998, 1998 PA 58, MCL 436.2207, in the preceding state fiscal year
20 from licensees in that county bears to the total tax collections
21 from section 1207 of the Michigan liquor control code of 1998, 1998
22 PA 58, MCL 436.2207, in the preceding state fiscal year from all
23 counties in which convention hotels are located. However, in the
24 calculation of the proportion represented by a county's share of
25 distributions under this subparagraph, the amount of the tax
26 collected from licensees in the qualified local governmental unit
27 that received distributions under section 9 in the last state

1 fiscal year shall not be included.

2 (D) FOR THE 2015-2016 FISCAL YEAR, AN AMOUNT EQUAL TO THE
3 PRODUCT OF THE TOTAL AMOUNT OF TAX COLLECTED UNDER SECTION 1207 OF
4 THE MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207,
5 AND DISTRIBUTED TO ALL COUNTIES IN THE 2014-2015 FISCAL YEAR
6 MULTIPLIED BY 1.02 SHALL BE DISTRIBUTED TO ALL COUNTIES AS PROVIDED
7 IN THIS SUBDIVISION. FOR FISCAL YEARS AFTER THE 2015-2016 FISCAL
8 YEAR, AN AMOUNT EQUAL TO THE PRODUCT OF THE AMOUNT OF LIQUOR TAX
9 DISTRIBUTIONS IN THE IMMEDIATELY PRECEDING FISCAL YEAR MULTIPLIED
10 BY 1.02, NOT TO EXCEED THE TOTAL AMOUNT OF TAX COLLECTED UNDER
11 SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA
12 58, MCL 436.2207, SHALL BE DISTRIBUTED TO COUNTIES. DISTRIBUTIONS
13 TO EACH COUNTY UNDER THIS SUBDIVISION SHALL BE CALCULATED AS
14 FOLLOWS:

15 (i) THE AMOUNT OF MONEY AVAILABLE TO BE DISTRIBUTED UNDER THIS
16 SUBDIVISION MULTIPLIED BY THE PERCENTAGE OF COLLECTIONS IN THE
17 IMMEDIATELY PRECEDING STATE FISCAL YEAR UNDER SECTION 1207 OF THE
18 MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207,
19 FROM LICENSEES IN COUNTIES IN WHICH CONVENTION HOTELS ARE NOT
20 LOCATED SHALL BE DISTRIBUTED TO EACH COUNTY IN WHICH CONVENTION
21 HOTELS ARE NOT LOCATED IN THE SAME PROPORTION THAT THE AMOUNT OF
22 TAX COLLECTED PURSUANT TO SECTION 1207 OF THE MICHIGAN LIQUOR
23 CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207, IN THE IMMEDIATELY
24 PRECEDING STATE FISCAL YEAR FROM LICENSEES IN THAT COUNTY BEARS TO
25 THE TOTAL TAX COLLECTIONS FROM SECTION 1207 OF THE MICHIGAN LIQUOR
26 CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207, IN THE IMMEDIATELY
27 PRECEDING STATE FISCAL YEAR FROM ALL COUNTIES IN WHICH CONVENTION

1 HOTELS ARE NOT LOCATED.

2 (ii) THE AMOUNT OF MONEY AVAILABLE TO BE DISTRIBUTED UNDER THIS
3 SUBDIVISION MULTIPLIED BY THE PERCENTAGE OF COLLECTIONS IN THE
4 IMMEDIATELY PRECEDING STATE FISCAL YEAR UNDER SECTION 1207 OF THE
5 MICHIGAN LIQUOR CONTROL CODE OF 1998, 1998 PA 58, MCL 436.2207,
6 FROM LICENSEES IN COUNTIES IN WHICH CONVENTION HOTELS ARE LOCATED
7 SHALL BE DISTRIBUTED TO EACH COUNTY IN WHICH CONVENTION HOTELS ARE
8 LOCATED IN THE SAME PROPORTION THAT THE AMOUNT OF TAX COLLECTED
9 PURSUANT TO SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE OF
10 1998, 1998 PA 58, MCL 436.2207, IN THE IMMEDIATELY PRECEDING STATE
11 FISCAL YEAR FROM LICENSEES IN THAT COUNTY BEARS TO THE TOTAL TAX
12 COLLECTIONS FROM SECTION 1207 OF THE MICHIGAN LIQUOR CONTROL CODE
13 OF 1998, 1998 PA 58, MCL 436.2207, IN THE IMMEDIATELY PRECEDING
14 STATE FISCAL YEAR FROM ALL COUNTIES IN WHICH CONVENTION HOTELS ARE
15 LOCATED. HOWEVER, IN THE CALCULATION OF THE PROPORTION REPRESENTED
16 BY A COUNTY'S SHARE OF DISTRIBUTIONS UNDER THIS SUBPARAGRAPH, THE
17 AMOUNT OF THE TAX COLLECTED FROM LICENSEES IN THE QUALIFIED LOCAL
18 GOVERNMENTAL UNIT THAT RECEIVED DISTRIBUTIONS UNDER SECTION 9 IN
19 THE IMMEDIATELY PRECEDING STATE FISCAL YEAR SHALL NOT BE INCLUDED.

20 (E) BEGINNING THE 2015-2016 FISCAL YEAR AND EACH FISCAL YEAR
21 THEREAFTER, IF THE REVENUE IN THE CONVENTION FACILITY DEVELOPMENT
22 FUND EXCEEDS THE AMOUNTS DISTRIBUTED UNDER SECTION 9 AND THE
23 DISTRIBUTIONS UNDER SUBDIVISION (D), THE EXCESS SHALL BE
24 DISTRIBUTED TO A QUALIFIED GOVERNMENTAL UNIT TO BE USED BY THE
25 QUALIFIED LOCAL GOVERNMENTAL UNIT ONLY FOR THE RETIREMENT OF
26 OUTSTANDING BONDS, OBLIGATIONS, OR OTHER EVIDENCES OF INDEBTEDNESS
27 INCURRED FOR WHICH DISTRIBUTIONS UNDER SECTION 9 ARE PLEDGED AND

1 FOR A QUALIFIED GOVERNMENTAL UNIT THAT IS A METROPOLITAN AUTHORITY,
2 FOR ANY PURPOSE AUTHORIZED UNDER THE REGIONAL CONVENTION FACILITY
3 AUTHORITY ACT. HOWEVER, THE AMOUNT THAT MAY BE USED FOR OPERATING
4 PURPOSES IN ANY 1 YEAR SHALL NOT EXCEED \$10,000,000.00.

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

14 (4) Beginning October 1, 2007 and each year thereafter, from
15 the revenue collected during the previous quarter, after
16 distributing the monthly payments under section 9(1), the state
17 treasurer shall make quarterly distributions under subsection
18 (2)(b) and (c) **OR UNDER SUBSECTION (2)(D)**. From the revenue
19 collected in the last quarter of the state fiscal year, the state
20 treasurer shall make the distribution under subsection (2)(a) prior
21 to any distributions under subsection (2)(b) and (c) **OR (D)**.

22 Sec. 12. (1) Subject to approval pursuant to section 11, a
23 local governmental unit may assign or pledge all or a portion of
24 the distribution of taxes that the local governmental unit is
25 eligible to receive under this act for payment of bonds,
26 obligations, or other evidences of indebtedness for the purposes
27 specified in section 8(2). If a local governmental unit assigns,

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

10 (2) A local governmental unit **THAT BECOMES A QUALIFIED LOCAL**
11 **GOVERNMENTAL UNIT BEFORE MAY 1, 2008** shall not issue bonds,
12 obligations, or other evidences of indebtedness to which
13 distributions under section 9 are pledged in a principal amount
14 greater than \$180,000,000.00. This limit does not apply to
15 refunding bonds, obligations, or other evidences of indebtedness
16 issued pursuant to section 11(2) or to bonds, obligations, or other
17 evidences of indebtedness to which distributions of taxes from the
18 convention facility development fund are dedicated under section
19 11(3). **A LOCAL GOVERNMENTAL UNIT THAT BECOMES A QUALIFIED LOCAL**
20 **GOVERNMENTAL UNIT AFTER DECEMBER 1, 2008 SHALL NOT ISSUE BONDS,**
21 **OBLIGATIONS, OR OTHER EVIDENCES OF INDEBTEDNESS TO WHICH**
22 **DISTRIBUTIONS UNDER SECTION 9 ARE PLEDGED IN ORDER TO FINANCE A**
23 **PROJECT WITH A COST THAT EXCEEDS \$308,000,000.00. THE COST OF THE**
24 **PROJECT IN ADDITION TO CONSTRUCTION AND ACQUISITION COSTS MAY**
25 **INCLUDE AN ALLOWANCE FOR LEGAL, ENGINEERING, ARCHITECTURAL, AND**
26 **CONSULTING SERVICES. THE COST OF THE PROJECT DOES NOT INCLUDE ANY**
27 **OF THE FOLLOWING:**

1 (A) INTEREST ON REVENUE OBLIGATIONS ISSUED TO FINANCE THE
2 PROJECT BECOMING DUE BEFORE THE COLLECTION OF THE FIRST REVENUES
3 AVAILABLE FOR THE PAYMENT OF THOSE REVENUE OBLIGATIONS.

4 (B) A RESERVE FOR THE PAYMENT OF PRINCIPAL, INTEREST, AND
5 REDEMPTION PREMIUMS ON THE REVENUE OBLIGATIONS OF THE QUALIFIED
6 LOCAL GOVERNMENTAL UNIT, AND OTHER NECESSARY INCIDENTAL EXPENSES
7 INCLUDING, BUT NOT LIMITED TO, PLACEMENT FEES, FEES OR CHARGES FOR
8 INSURANCE, LETTERS OF CREDIT, LINES OF CREDIT, REMARKETING
9 AGREEMENTS, OR COMMITMENTS TO PURCHASE OBLIGATIONS ISSUED PURSUANT
10 TO THIS ACT.

11 (C) FEES OR CHARGES ASSOCIATED WITH AN AGREEMENT TO MANAGE
12 PAYMENT, REVENUE, OR INTEREST RATE EXPOSURE.

13 (D) ANY OTHER FEES OR CHARGES FOR ANY OTHER SECURITY PROVIDED
14 TO ASSURE TIMELY PAYMENT OF THE OBLIGATIONS.

15 Sec. 20. The tax imposed by this act shall not be levied after
16 THE EARLIER OF December 31, ~~2015~~—2039 OR 30 DAYS AFTER BONDS ISSUED
17 BY A METROPOLITAN AUTHORITY FORMED UNDER THE REGIONAL CONVENTION
18 FACILITY AUTHORITY ACT FOR PURPOSES AUTHORIZED UNDER THAT ACT ARE
19 RETIRED.

20 Enacting section 1. This amendatory act does not take effect
21 unless all of the following bills of the 94th Legislature are
22 enacted into law:

23 (a) House Bill No. 5690.

24 (b) House Bill No. 6405.