

**SUBSTITUTE FOR
HOUSE BILL NO. 4816**

A bill relating to the promotion of regional convention business and tourism in this state and certain regions of this state; to provide for tourism and convention financing and promotion programs in certain areas; to provide for imposition and collection of assessments on the owners of transient facilities to support tourism and convention financing and promotion programs; to provide for the disbursement of the assessments; to establish the oversight functions and duties of certain state departments, state agencies, and state employees; and to prescribe penalties and remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "regional event center financing act".



1 Sec. 2. As used in this act:

2 (a) "Assessment" means the amount levied against an owner of a
3 transient facility within an assessment district computed by
4 application of the applicable percentage against aggregate room
5 charges with respect to that transient facility during the
6 applicable assessment period.

7 (b) "Assessment district" means a municipality or a
8 combination of municipalities as described in an event center
9 financing program.

10 (c) "Assessment revenues" means the money derived from the
11 assessment, including any interest and penalties on the assessment,
12 imposed by this act.

13 (d) "Clerk" means the clerk of the municipality.

14 (e) "Event center" means all or any part, or any combination
15 of convention halls, auditoriums, stadiums, music halls, arenas,
16 meeting rooms, exhibit areas, and related public areas owned by a
17 municipality or related event center authority. An event center
18 does not include any facility owned in whole or in part by any
19 private individual, business, or corporation.

20 (f) "Event center financing program" means a program
21 established by a municipality to plan, develop, design, and
22 construct an event center.

23 (g) "Event center financing program notice" means the notice
24 described in section 3.

25 (h) "Municipality" means 1 of the following:

26 (i) A county having a population of greater than 250,000 and
27 less than 300,000 according to the most recent federal decennial
28 census.

29 (ii) A county having a population of more than 170,000 and less



1 than 180,000 according to the most recent federal decennial census
2 or a county having a population of more than 300,000 and less than
3 400,000 according to the most recent federal decennial census.

4 (i) "Owner" means the owner of a transient facility located
5 within the assessment district or, if the transient facility is
6 operated or managed by a person other than the owner, then the
7 operator or manager of that transient facility.

8 (j) "Room" means a room or other space provided for sleeping,
9 including the furnishings and other accessories in the room.

10 (k) "Room charge" means the charge imposed for the use or
11 occupancy of a room, excluding charges for food, beverages, state
12 use tax, telephone service, or like services paid in connection
13 with the charge, and reimbursement of the assessment imposed by
14 this act.

15 (l) "Transient facility" means a building that contains 35 or
16 more rooms used in the business of providing dwelling, lodging, or
17 sleeping to transient guests, whether or not membership is required
18 for the use of the rooms. A transient facility shall not include a
19 hospital or nursing home.

20 (m) "Transient guest" means a natural person who occupies a
21 room in a transient facility for less than 30 consecutive days
22 regardless of who pays the room charge.

23 (n) "Use tax" means the tax imposed under the use tax act,
24 1937 PA 94, MCL 205.91 to 205.111.

25 Sec. 3. (1) A municipality may, by ordinance, establish an
26 event center financing program.

27 (2) The event center financing program shall describe the
28 proposed size, location, cost, and financing structure of the
29 proposed event center.



1 (3) The event center financing program shall specify the
2 amount of the assessment proposed to be levied, which shall not
3 exceed 4% of the room charges in the applicable payment period.

4 (4) Upon adoption of an ordinance establishing an event center
5 financing program, the clerk of the municipality shall cause an
6 event center financing program notice to be mailed by registered or
7 certified mail to each owner of a transient facility located in the
8 municipality. In assembling the list of owners to whom the notices
9 shall be mailed, the clerk shall use any data that are reasonably
10 available to the clerk.

11 (5) The form of the event center financing program notice,
12 shall contain the information required by subsections (1), (2), and
13 (3). In addition, an event center financing program notice for a
14 municipality described in section 2(h)(i) shall set forth the right
15 of referendum prescribed in subsection (7).

16 (6) Except as otherwise provided in subsections (7) and (8),
17 the assessment set forth in the notice for a municipality described
18 in section 2(h)(i) shall become effective on the first day of the
19 month following the expiration of 40 days after the date the notice
20 is mailed, unless the clerk, within the 40-day period, receives
21 written requests for a referendum by owners of transient facilities
22 located within the assessment district representing not less than
23 40% of the total number of owners or not less than 40% of the total
24 number of rooms in all of the transient facilities.

25 (7) If the clerk receives referendum requests in the time and
26 number set forth in subsection (6), the clerk shall cause a written
27 referendum to be held by mail or in person, as the clerk chooses,
28 among all owners of transient facilities in the assessment district
29 within 20 days after the expiration of the 40-day period. For the



1 purposes of the referendum, each owner of a transient facility
2 shall have 1 vote for each room in each of the owner's transient
3 facilities within the assessment district. If a majority of votes
4 actually cast at the referendum approve the assessment, as proposed
5 by the clerk in its financing program notice, the assessment shall
6 become effective as to all owners of transient facilities located
7 in the assessment district on the first day of the month following
8 expiration of 30 days after certification of the results of the
9 referendum by the clerk. If a majority of votes actually cast at
10 the referendum are opposed to the assessment, the assessment shall
11 not become effective. If the assessment is defeated by the
12 referendum, the municipality described in section 2(h) (i) may file
13 and serve a new notice of intention if at least 60 days have
14 elapsed from the date of certification of the results of the
15 earlier referendum. Not more than 2 referenda or notices may be
16 held pursuant to this subsection or filed pursuant to this section
17 in any 1 calendar year. Only 1 assessment under this act may be in
18 existence in an assessment district, or any part of an assessment
19 district, at any 1 time.

20 (8) The assessment set forth in the notice for a municipality
21 described in section 2(h) (ii) shall become effective on the approval
22 by owners of transient facilities located within the assessment
23 district representing not less than 50% of the total number of
24 owners and not less than 50% of the total number of rooms in all of
25 the transient facilities. Upon adoption of an ordinance
26 establishing an event center financing program for a municipality
27 described in section 2(h) (ii), the clerk shall cause a written
28 election to be held by mail or in person, as the clerk chooses,
29 among all owners of transient facilities in the assessment district



1 within 30 days after the adoption of the ordinance. For the
2 purposes of the election, each owner of a transient facility shall
3 have 1 vote for each room in each of the owner's transient
4 facilities within the assessment district. If a majority of votes
5 actually cast at the election approve the assessment, as proposed
6 by the bureau in its financing program notice, the assessment shall
7 become effective as to all owners of transient facilities located
8 in the assessment district on the first day of the month following
9 expiration of 30 days after certification of the results of the
10 election by the clerk. If a majority of votes actually cast at the
11 election are opposed to the assessment, the assessment shall not
12 become effective. If the assessment is defeated by the election,
13 the municipality described in section 2(h) (ii) may file and serve a
14 new notice of intention if at least 60 days have elapsed from the
15 date of certification of the results of the earlier election. Not
16 more than 2 elections or notices may be held pursuant to this
17 subsection or filed pursuant to this subsection in any 1 calendar
18 year.

19 (9) The assessment described in this act shall not be
20 effective before January 1, 2020.

21 Sec. 4. (1) Upon the effective date of an assessment, each
22 owner of a transient facility in the assessment district shall be
23 liable for payment of the assessment, computed using the percentage
24 set forth in the event center financing program notice. The
25 assessment shall be paid by the owner of each such transient
26 facility to the municipality within 30 days after the end of each
27 calendar month and shall be accompanied by a statement of room
28 charges imposed with respect to the transient facility for that
29 month. This act shall not prohibit a transient facility from



1 reimbursing itself by adding the assessment imposed pursuant to
2 this act to room charges payable by transient guests, provided that
3 the transient facility discloses that it has done so on any bill
4 presented to a transient guest.

5 (2) Within 30 days after the close of each calendar quarter,
6 each owner within an assessment district shall forward to the
7 independent certified public accountants who audit the financial
8 statements of the municipality copies of its use tax returns for
9 the preceding quarter. These copies of the use tax returns shall be
10 used solely by the certified public accountants to verify and audit
11 the owner's payment of the assessments and shall not be disclosed
12 to the municipality except as necessary to enforce this act.

13 (3) Interest shall be paid by an owner to the municipality on
14 any assessments not paid within the time called for under this act.
15 The interest shall accrue at the rate of 1.5% per month. Owners
16 delinquent for more than 90 days in paying assessments, in addition
17 to the 1.5% interest, shall pay a delinquency charge of 10% per
18 month or fraction of a month on the amount of the delinquent
19 assessments. The municipality may sue in its own name to collect
20 the assessments, interest, and delinquency charges.

21 (4) The owner of a transient facility shall not be liable for
22 payment of an assessment until a notice has been mailed to the
23 transient facility of the owner pursuant to section 3(4).

24 Sec. 5. The revenues derived from the assessment imposed under
25 this act shall be deposited in a special fund to be used by the
26 municipality or by an authority that is organized pursuant to state
27 law, together with other available funds only to pay for 1 or more
28 of the following:

29 (a) The cost of administration and enforcement of the



1 ordinance.

2 (b) The financing of the acquisition, construction,
3 improvement, enlargement, repair, or maintenance of convention and
4 entertainment facilities, including the payment of principal and
5 interest, when due, on bonds or other evidence of indebtedness
6 issued by the municipality for an event center.

7 (c) Current or future annual rental payable by the
8 municipality to an authority organized pursuant to state law for
9 the purpose of acquiring, constructing, improving, enlarging,
10 repairing, or maintaining the convention and entertainment
11 facilities and leasing them to the municipality.

