

**SENATE 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, in
12 addition to the information required by subsections (1), (2), and
13 (3), shall set forth the right of referendum prescribed in
14 subsection (6).

15 (6) Within 30 days after adoption of an ordinance establishing
16 an event center financing program, the clerk of the municipality
17 shall require a written referendum to be held by mail or in person
18 among all owners of transient facilities in each municipality in
19 the assessment district. For purposes of the referendum, each owner
20 shall have 1 vote for each room in an owner's transient facility.
21 If a majority of votes actually cast at the referendum approve the
22 assessment, as proposed by the municipality in its event center
23 financing program notice, the assessment shall become effective as
24 to all owners of transient facilities located in the assessment
25 district on the first day of the month following expiration of 30
26 days after certification of the results by the clerk that the event
27 center financing program was approved. If a majority of votes
28 actually cast at the referendum are opposed to the assessment, the
29 assessment shall not become effective. If the assessment is



1 defeated by the referendum, the municipality may file and serve a
2 new notice of intention if at least 60 days have elapsed from the
3 date of certification of the results of the earlier referendum. Not
4 more than 2 referenda or notices may be held pursuant to this
5 subsection or filed pursuant to this subsection in any 1 calendar
6 year. Only 1 assessment under this act may be in existence in an
7 assessment district, or any part of an assessment district, at any
8 1 time.

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

11 Sec. 4. (1) Upon the effective date of an assessment, each
12 owner of a transient facility in the assessment district shall be
13 liable for payment of the assessment, computed using the percentage
14 set forth in the event center financing program notice. The
15 assessment shall be paid by the owner of each such transient
16 facility to the municipality within 30 days after the end of each
17 calendar month and shall be accompanied by a statement of room
18 charges imposed with respect to the transient facility for that
19 month. This act shall not prohibit a transient facility from
20 reimbursing itself by adding the assessment imposed pursuant to
21 this act to room charges payable by transient guests, provided that
22 the transient facility discloses that it has done so on any bill
23 presented to a transient guest.

24 (2) Within 30 days after the close of each calendar quarter,
25 each owner within an assessment district shall forward to the
26 independent certified public accountants who audit the financial
27 statements of the municipality copies of its use tax returns for
28 the preceding quarter. These copies of the use tax returns shall be
29 used solely by the certified public accountants to verify and audit



1 the owner's payment of the assessments and shall not be disclosed
2 to the municipality except as necessary to enforce this act.

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

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

14 Sec. 5. The revenues derived from the assessment imposed under
15 this act shall be deposited in a special fund to be used by the
16 municipality or by an authority that is organized pursuant to state
17 law only to pay for 1 or more of the following:

18 (a) The cost of administration and enforcement of the
19 ordinance.

20 (b) The financing of the acquisition, construction,
21 improvement, enlargement, repair, or maintenance of convention and
22 entertainment facilities, including the payment of principal and
23 interest, when due, on bonds or other evidence of indebtedness
24 issued by the municipality for an event center.

25 (c) Current or future annual rental payable by the
26 municipality to an authority organized pursuant to state law for
27 the purpose of acquiring, constructing, improving, enlarging,
28 repairing, or maintaining the convention and entertainment
29 facilities and leasing them to the municipality.

