

HOUSE BILL No. 4478

March 20, 1989, Introduced by Reps. Gagliardi, Jacobetti, Stupak and Sofio and referred to the Committee on Taxation.

A bill to amend sections 3 and 5 of Act No. 395 of the Public Acts of 1980, entitled as amended "Community convention or tourism marketing act," as amended by Act No. 59 of the Public Acts of 1984, being sections 141.873 and 141.875 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 3 and 5 of Act No. 395 of the Public
2 Acts of 1980, as amended by Act No. 59 of the Public Acts of
3 1984, being sections 141.873 and 141.875 of the Michigan Compiled
4 Laws, are amended to read as follows:

5 Sec. 3. (1) A bureau ~~which~~ THAT wishes to establish a
6 marketing program and assessment district shall file a marketing
7 program notice with the director. The MARKETING PROGRAM notice
8 shall state that the bureau proposes to create a marketing
9 program under this act and cause an assessment to be collected

1 from owners of transient facilities within the assessment
2 district to pay the costs of the MARKETING program.

3 (2) The marketing program notice shall describe the struc-
4 ture, membership, and activities of the bureau.

5 (3) The marketing program notice shall describe the market-
6 ing program to be implemented by the bureau with the assessment
7 revenues, specify the amount of the assessment proposed to be
8 levied, which shall not exceed 2% of the room charges in the
9 applicable payment period, and describe the municipalities com-
10 prising the assessment district.

11 (4) A part of a municipality shall not be included in the
12 marketing program notice and the assessment district specified in
13 the notice if on the date the notice is mailed the county in
14 which that part is located is collecting a tax pursuant to Act
15 No. 263 of the Public Acts of 1974, being sections 141.861 to
16 141.867 of the Michigan Compiled Laws. Except as provided in
17 section 10, an area shall not be included in the marketing pro-
18 gram notice and the assessment district specified in the notice
19 if the area is part of an existing assessment district for which
20 a marketing program is in effect. HOWEVER, A BUREAU IS NOT PRO-
21 HIBITED FROM LEVYING AN ASSESSMENT UNDER THIS ACT BECAUSE AN
22 ASSESSMENT BASED ON A ROOM CHARGE IS LEVIED ON A TRANSIENT FACIL-
23 ITY PURSUANT TO THE REGIONAL TOURISM MARKETING ACT.

24 (5) If on the date of the mailing of the marketing program
25 notice an excise tax or other tax based on a room charge is not
26 being collected, a municipality included in the marketing program
27 notice shall not be subject to the collection of an excise tax

1 imposed under Act No. 263 of the Public Acts of 1974 or another
2 tax based on a room charge. HOWEVER, A REGIONAL MARKETING ORGA-
3 NIZATION IS NOT PROHIBITED FROM LEVYING AN ASSESSMENT UNDER THE
4 REGIONAL TOURISM MARKETING ACT BECAUSE AN ASSESSMENT HAS BEEN
5 LEVIED PURSUANT TO A MARKETING PROGRAM UNDER THIS ACT.

6 (6) If a part of a municipality is subject to an assessment
7 under the convention and tourism marketing act, Act No. 383 of
8 the Public Acts of 1980, being sections 141.881 to 141.889 of the
9 Michigan Compiled Laws, that part of the municipality shall not
10 be included in a marketing program notice or assessment district
11 under this act.

12 (7) Simultaneously with the filing of the marketing program
13 notice with the director, the bureau shall ~~cause~~ MAIL a copy of
14 the notice, ~~to be mailed~~ by registered or certified mail, to
15 each owner of a transient facility located in the assessment dis-
16 trict specified in the notice, in care of the respective tran-
17 sient facility. In assembling the list of owners to whom the
18 notices shall be mailed, the bureau shall use any data ~~which~~
19 THAT is reasonably available to the bureau.

20 Sec. 5. (1) Upon the effective date of an assessment UNDER
21 SECTION 3A, each owner of a transient facility in the assessment
22 district shall be liable for payment of the assessment, computed
23 ~~using~~ BY MULTIPLYING the percentage set forth in the marketing
24 program notice BY THE AGGREGATE ROOM CHARGES IMPOSED BY THE TRAN-
25 SIENT FACILITY DURING A CALENDER MONTH. The assessment shall be
26 paid by the owner of each such transient facility to the bureau
27 OR THE PERSON DESIGNATED BY THE BUREAU within 30 days after the

1 end of each calendar month, and shall be accompanied by a
2 statement of room charges imposed ~~with respect to~~ BY the tran-
3 sient facility for that CALENDAR month. This act ~~shall~~ DOES
4 not prohibit ~~a transient facility~~ AN OWNER from reimbursing
5 ~~itself~~ THE TRANSIENT FACILITY by adding the assessment imposed
6 ~~pursuant to~~ UNDER this act to room charges payable by transient
7 guests. ~~, provided~~ HOWEVER, the ~~transient facility discloses~~
8 OWNER SHALL DISCLOSE that ~~it has done so on any~~ THE TRANSIENT
9 FACILITY HAS BEEN REIMBURSED FOR THE ASSESSMENT IMPOSED UNDER
10 THIS ACT ON THE bill presented to ~~a~~ THE transient guest.

11 (2) A BUREAU OR PERSON DESIGNATED BY THE BUREAU SHALL
12 ACCEPT, FROM OWNERS SUBJECT TO AN ASSESSMENT UNDER THIS ACT, THE
13 PAYMENT OF ASSESSMENTS THAT ARE LEVIED BY A REGIONAL MARKETING
14 ORGANIZATION UNDER SECTION 6 OF THE REGIONAL TOURISM MARKETING
15 ACT. A BUREAU OR THE PERSON DESIGNATED BY THE BUREAU SHALL FOR-
16 WARD THE MONEY RECEIVED IN PAYMENT OF AN ASSESSMENT LEVIED BY A
17 REGIONAL MARKETING ORGANIZATION UNDER THE REGIONAL TOURISM MAR-
18 KETING ACT TO THE PERSON DESIGNATED BY THE REGIONAL MARKETING
19 ORGANIZATION TO RECEIVE THE PAYMENT OF ASSESSMENTS UNDER
20 SECTION 6 OF THE REGIONAL TOURISM MARKETING ACT. THE BUREAU MAY
21 WITHHOLD THE PORTION OF AN ASSESSMENT RECEIVED ON BEHALF OF A
22 REGIONAL MARKETING ORGANIZATION UNDER THIS SUBSECTION AND
23 SECTION 6 OF THE REGIONAL TOURISM MARKETING ACT AS AGREED UPON
24 BETWEEN THE BUREAU AND THE REGIONAL MARKETING ORGANIZATION TO
25 REIMBURSE THE BUREAU OR PERSON DESIGNATED BY THE BUREAU FOR REA-
26 SONABLE ADMINISTRATIVE COSTS TO RECEIVE AND FORWARD ASSESSMENTS
27 DUE A REGIONAL MARKETING ORGANIZATION.

1 (3) ~~-(2)-~~ Within 30 days after the close of each calendar
2 quarter, each owner within an assessment district shall forward
3 to the independent certified public accountants who audit the
4 financial statements of the bureau, copies of ~~its~~ THE state use
5 tax returns OF THE TRANSIENT FACILITY for the preceding quarter.
6 ~~these~~ THE copies of the state use tax returns shall be used
7 solely by the certified public accountants to verify and audit
8 the ~~owner's~~ payment BY THE OWNER of the assessments UNDER THIS
9 ACT, and shall not be disclosed to the bureau except as THE
10 DIRECTOR DETERMINES necessary to enforce this act.

11 (4) ~~-(3)-~~ Interest shall be paid by an owner to the bureau
12 on any assessments not paid within the time ~~called for~~ REQUIRED
13 under this act. The interest shall accrue at the rate of 1.5%
14 per month. Owners delinquent for more than 90 days in paying
15 assessments, in addition to the 1.5% interest, shall pay a delin-
16 quency charge of 1.5% per month or fraction of a month on the
17 amount of the delinquent assessments. The bureau may sue in its
18 own name to collect the assessments, interest, and delinquency
19 charges.

20 (5) ~~-(4)-~~ The owner of a transient facility shall not be
21 liable for payment of an assessment until a MARKETING PROGRAM
22 notice has been mailed to the transient facility of the owner
23 pursuant to section ~~3(5)~~ 3.

24 Section 2. This amendatory act shall not take effect unless
25 Senate Bill No. ____ or House Bill No. 4477 (request
26 no. 01820'89) of the 85th Legislature is enacted into law.