

HOUSE BILL NO. 4816

July 18, 2019, Introduced by Rep. Iden and referred to the Committee on Commerce and Tourism.

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 marketing 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 marketing 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".

3 Sec. 2. As used in this act:

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

9 (b) "Assessment district" means a municipality or a
10 combination of municipalities as described in an event center
11 marketing program.

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

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

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

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

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

27 (h) "Municipality" means a county having a population of
28 greater than 250,000 and less than 300,000 according to the most



1 recent federal decennial census.

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

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

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

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

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

21 (n) "Use tax" means the tax imposed under the use tax act,
22 1937 PA 94, MCL 205.91 to 205.111.

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

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

28 (3) The event center financing program shall specify the
29 amount of the assessment proposed to be levied, which shall not



1 exceed 4% of the room charges in the applicable payment period.

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

9 (5) The form of the event center financing program notice, in
10 addition to the information required by subsections (1), (2), and
11 (3), shall set forth the right of referendum prescribed in
12 subsection (7).

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

22 (7) If the clerk receives referendum requests in the time and
23 number set forth in subsection (7), the clerk shall cause a written
24 referendum to be held by mail or in person, as the clerk chooses,
25 among all owners of transient facilities in the assessment district
26 within 20 days after the expiration of the 40-day period. For the
27 purposes of the referendum, each owner of a transient facility
28 shall have 1 vote for each room in each of the owner's transient
29 facilities within the assessment district. If a majority of votes



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

16 (8) The assessment described in this act shall not be
17 effective before January 1, 2020.

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



1 presented to a transient guest.

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

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

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

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

26 (a) The cost of administration and enforcement of the
27 ordinance.

28 (b) The financing of the acquisition, construction,
29 improvement, enlargement, repair, or maintenance of convention and



1 entertainment facilities, including the payment of principal and
2 interest, when due, on bonds or other evidence of indebtedness
3 issued by the municipality for an event center.

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

