

# HOUSE BILL NO. 6375

September 15, 2022, Introduced by Reps. Puri and Outman and referred to the Committee on Regulatory Reform.

A bill to amend 1991 PA 180, entitled

"An act to assist in the financing of stadia or convention facilities; to permit eligible municipalities to impose and collect an excise tax on businesses engaged in the preparation and delivery of food and beverages for immediate consumption, in leasing or renting motor vehicles in the eligible municipality, and in providing accommodations for dwelling, lodging, or sleeping purposes; to limit the rate of that excise tax; to authorize voter approval in a single ballot question of the excise tax authorized by this act and of certain purposes for which the excise tax is imposed; to provide for the establishment of procedures for the collection, administration, and enforcement of the excise tax; to prescribe the powers and duties of certain state departments and state and local officials; to provide for the disposition and

transmittal of the revenues from the tax for stadia or convention facility development and other purposes and authorize the pledge of those revenues; to authorize the appointment of employees and officials of a local governmental unit to an authority to which revenues from the tax may be pledged; to prescribe penalties and provide remedies; and to repeal certain acts and parts of acts,"

by amending section 2 (MCL 207.752).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 2. (1) The governing body of an eligible municipality, by  
2 ordinance, may levy, assess, and collect an excise tax on the  
3 privilege of operating the following businesses in the eligible  
4 municipality:

5       (a) A person engaged in the business of preparation and  
6 delivery of food or alcoholic or nonalcoholic beverages for  
7 immediate consumption either on or off the premises, ~~who~~**that** is  
8 licensed to operate within the eligible municipality as a food  
9 service establishment ~~under part 129 of the public health code, Act~~  
10 ~~No. 368 of the Public Acts of 1978, being sections 333.12901 to~~  
11 ~~333.12922 of the Michigan Compiled Laws. as that term is defined in~~  
12 **section 1107 of the food law, 2000 PA 92, MCL 289.1107.** This  
13 subdivision does not apply to ~~a~~**any of the following:**

14       (i) A school district. ~~, to a~~

15       (ii) A nonprofit organization exempt from paying ~~sanitation~~  
16 ~~fees under section 12906(3) of part 129 of Act No. 368 of the~~  
17 ~~Public Acts of 1978, being section 333.12906 of the Michigan~~  
18 ~~Compiled Laws, or to a~~**additional state license fees under section**  
19 **3119 of the food law, 2000 PA 92, MCL 289.3119.**

20       (iii) A ~~retail~~ grocery store ~~licensed under the food processing~~  
21 ~~act of 1977, Act No. 328 of the Public Acts of 1978, being sections~~  
22 ~~289.801 to 289.810 of the Michigan Compiled Laws, as that term is~~  
23 **defined in section 1111 of the food law, 2000 PA 92, MCL 289.1111,**

1 whose sale of food or beverages for immediate consumption is in a  
 2 volume incidental to the volume of its business as a **retail**  
 3 grocery. ~~store.~~

4 (b) A person engaged in the business of the leasing or rental  
 5 of motor vehicles, ~~of which~~ **including, but not limited to, peer-to-**  
 6 **peer car sharing, if** delivery is made in the eligible municipality.

7 (c) A person engaged in the business of providing  
 8 accommodations for dwelling, lodging, or sleeping purposes in an  
 9 eligible municipality to transient guests, whether or not  
 10 membership is required for the use of the accommodations.

11 (2) The rate of tax imposed ~~pursuant to~~ **under** subsection (1)  
 12 ~~shall~~ **must** not exceed the following amounts:

13 (a) 1% of the gross receipts received by the person subject to  
 14 tax under subsection (1)(a) from the sale of food and beverages,  
 15 including alcoholic beverages, for immediate consumption either on  
 16 or off the premises.

17 (b) 2% of the gross receipts received by the person subject to  
 18 tax under subsection (1)(b) from the leasing or rental of motor  
 19 vehicles for periods of less than 30 consecutive days.

20 (c) 1% of the gross receipts received by a person subject to  
 21 tax under subsection (1)(c) from the charges imposed for the use or  
 22 occupancy of accommodations provided in the eligible municipality  
 23 to transient guests, but excluding charges imposed as reimbursement  
 24 for the tax levied under the state convention facility development  
 25 act, ~~Act No. 106 of the Public Acts of 1985, being sections~~ **1985 PA**  
 26 **106, MCL 207.621 to 207.640, of the Michigan Compiled Laws, or for  
 27 assessments imposed under the convention and tourism marketing act,  
 28 ~~Act No. 383 of the Public Acts of 1980, being sections~~ **1980 PA 383,**  
 29 **MCL 141.881 to 141.889, of the Michigan Compiled Laws, the regional****

1 tourism marketing act, ~~Act No. 244 of the Public Acts of 1989,~~  
 2 ~~being sections 1989 PA 244, MCL 141.891 to 141.900, of the Michigan~~  
 3 ~~Compiled Laws,~~ and the community convention or tourism marketing  
 4 act, ~~Act No. 395 of the Public Acts of 1980, being sections 1980 PA~~  
 5 **395, MCL 141.871 to 141.880.** ~~of the Michigan Compiled Laws.~~

6 (3) The ordinance ~~shall~~**must** specify the date on which the  
 7 ordinance becomes effective, which ~~shall~~**must** not be earlier than  
 8 30 days after the date on which the ordinance is approved by a vote  
 9 of a majority of the electors of the eligible municipality voting  
 10 on the ordinance at a primary or general election or at a special  
 11 election called for that purpose. ~~Any~~**An** ordinance under this act  
 12 ~~shall~~**must** not be submitted to the electors of an eligible  
 13 municipality more than 2 times. The county clerk and all local  
 14 election officials within the county shall take those steps  
 15 necessary to conduct the election, the incremental expense of which  
 16 **the eligible county** shall ~~be reimbursed by the eligible county.~~  
 17 **reimburse.** The question presented to the voters ~~shall~~**must** state  
 18 the rates at which the tax is authorized and that the purpose of  
 19 the tax is principally to secure and fund the payment of rentals by  
 20 the eligible municipality to an authority organized for the purpose  
 21 of acquiring a stadium or convention facility and leasing it to the  
 22 eligible municipality. The question presented may also request  
 23 approval of the leasing and subleasing of the stadium or convention  
 24 facility by the eligible municipality. However, if the question  
 25 presented does not include a request for approval of the leasing  
 26 and subleasing of the stadium or convention facility, a right of  
 27 initiative and referendum exists, pursuant to the terms of the  
 28 local charter, in relation to the adoption or execution of any  
 29 contract, lease, or sublease for the stadium or convention facility

1 or of any amendment to any contract of lease or sublease of any  
2 local unit of government necessary to allow the eligible  
3 municipality to lease or sublease the stadium or convention  
4 facility.

5 (4) The ordinance imposing the excise tax authorized by this  
6 act ~~shall~~**must** provide for the expiration of the excise tax not  
7 later than the end of the fiscal year of the eligible municipality  
8 in which obligations issued by an authority to which the revenues  
9 of the excise tax are pledged as rentals under section 6 or any  
10 obligations that may refund those obligations, in whole or in part,  
11 are retired.

12 (5) A right of initiative and referendum exists in relation to  
13 any issue related to an ordinance adopted in a county that is not a  
14 charter county. To invoke that initiative or referendum, petitions  
15 signed by not less than 5% of the registered electors in the county  
16 ~~shall~~**must** be filed with the county clerk of that county. The  
17 county board of commissioners shall provide the time and manner of  
18 submitting the question at the election and of determining the  
19 result of the election.

20 (6) An eligible municipality shall not levy the tax under this  
21 act on businesses upon which another eligible municipality has  
22 imposed the tax.

23 **(7) As used in this section:**

24 **(a) "Car sharing program agreement" means that term as defined**  
25 **in section 3 of the peer-to-peer car sharing program act.**

26 **(b) "Peer-to-peer car sharing" means that term as defined in**  
27 **section 3 of the peer-to-peer car sharing program act.**

28 Enacting section 1. This amendatory act does not take effect  
29 unless House Bill No. 4917 of the 101st Legislature is enacted into

**1** law.