

STADIA OR CONVENTION FACILITY DEVELOPMENT (EXCERPT)
Act 180 of 1991

207.752 Municipal excise tax on certain businesses; maximum rate; ordinance; question presented to voters; expiration of excise tax; initiative and referendum; limitation.

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

(a) A person engaged in the business of preparation and delivery of food or alcoholic or nonalcoholic beverages for immediate consumption either on or off the premises, who is licensed to operate within the eligible municipality as a food service establishment under part 129 of the public health code, Act No. 368 of the Public Acts of 1978, being sections 333.12901 to 333.12922 of the Michigan Compiled Laws. This subdivision does not apply to a school district, to a nonprofit organization exempt from paying sanitation fees under section 12906(3) of part 129 of Act No. 368 of the Public Acts of 1978, being section 333.12906 of the Michigan Compiled Laws, or to a grocery store licensed under the food processing act of 1977, Act No. 328 of the Public Acts of 1978, being sections 289.801 to 289.810 of the Michigan Compiled Laws, whose sale of food or beverages for immediate consumption is in a volume incidental to the volume of its business as a grocery store.

(b) A person engaged in the business of the leasing or rental of motor vehicles of which delivery is made in the eligible municipality.

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

(2) The rate of tax imposed pursuant to subsection (1) shall not exceed the following amounts:

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

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

(c) 1% of the gross receipts received by a person subject to tax under subsection (1)(c) from the charges imposed for the use or occupancy of accommodations provided in the eligible municipality to transient guests, but excluding charges imposed as reimbursement for the tax levied under the state convention facility development act, Act No. 106 of the Public Acts of 1985, being sections 207.621 to 207.640 of the Michigan Compiled Laws, or for assessments imposed under the convention and tourism marketing act, Act No. 383 of the Public Acts of 1980, being sections 141.881 to 141.889 of the Michigan Compiled Laws, the regional tourism marketing act, Act No. 244 of the Public Acts of 1989, being sections 141.891 to 141.900 of the Michigan Compiled Laws, and the community convention or tourism marketing act, Act No. 395 of the Public Acts of 1980, being sections 141.871 to 141.880 of the Michigan Compiled Laws.

(3) The ordinance shall specify the date on which the ordinance becomes effective, which shall not be earlier than 30 days after the date on which the ordinance is approved by a vote of a majority of the electors of the eligible municipality voting on the ordinance at a primary or general election or at a special election called for that purpose. Any ordinance under this act shall not be submitted to the electors of an eligible municipality more than 2 times. The county clerk and all local election officials within the county shall take those steps necessary to conduct the election, the incremental expense of which shall be reimbursed by the eligible county. The question presented to the voters shall state the rates at which the tax is authorized and that the purpose of the tax is principally to secure and fund the payment of rentals by the eligible municipality to an authority organized for the purpose of acquiring a stadium or convention facility and leasing it to the eligible municipality. The question presented may also request approval of the leasing and subleasing of the stadium or convention facility by the eligible municipality. However, if the question presented does not include a request for approval of the leasing and subleasing of the stadium or convention facility, a right of initiative and referendum exists, pursuant to the terms of the local charter, in relation to the adoption or execution of any contract, lease, or sublease for the stadium or convention facility or of any amendment to any contract of lease or sublease of any local unit of government necessary to allow the eligible municipality to lease or sublease the stadium or convention facility.

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

(5) A right of initiative and referendum exists in relation to any issue related to an ordinance adopted in a county that is not a charter county. To invoke that initiative or referendum, petitions signed by not less than

5% of the registered electors in the county shall be filed with the county clerk of that county. The county board of commissioners shall provide the time and manner of submitting the question at the election and of determining the result of the election.

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

History: 1991, Act 180, Imd. Eff. Dec. 26, 1991.