

HOUSE BILL NO. 4559

May 02, 2019, Introduced by Reps. Sabo, Brixie and Lilly and referred to the Committee on Commerce and Tourism.

A bill to amend 1980 PA 395, entitled
"Community convention or tourism marketing act,"
by amending sections 2 and 4 (MCL 141.872 and 141.874), section 2
as amended by 2018 PA 626 and section 4 as amended by 1984 PA 59.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 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



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1 application of the applicable percentage against aggregate room
2 charges with respect to that transient facility during the
3 applicable assessment period.

4 (b) "Assessment district" means a municipality or combination
5 of municipalities as described in a marketing program. A
6 combination of municipalities is not required to be contiguous.

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

10 (d) "Board" means the board of directors elected by the
11 members of a bureau. A majority of the members of a board shall be
12 owners of transient facilities.

13 (e) "Bureau" means a nonprofit corporation existing to promote
14 convention business or tourism within this state or a portion of
15 this state.

16 (f) "Director" means the president of the Michigan strategic
17 fund or his or her designee.

18 (g) "Marketing program" means a program established by a
19 bureau to develop, encourage, solicit, and promote convention
20 business or tourism within this state or a portion of this state
21 within which the bureau operates. The encouragement and promotion
22 of convention business or tourism includes any service, function,
23 or activity, whether or not performed, sponsored, or advertised by
24 a bureau, that intends to attract transient guests to the
25 assessment district. For a bureau described in section 3(8), a
26 marketing program includes a contract with a nonprofit organization
27 formed to promote convention business or tourism that receives
28 funding from a tax levied under 1974 PA 263, MCL 141.861 to
29 141.867, in a contiguous county to provide for the promotion of



1 convention business or tourism.

2 (h) "Marketing program notice" means the notice described in
3 section 3.

4 (i) "Master plan" means the comprehensive, long-range master
5 plan developed by the Michigan travel commission and the travel
6 bureau under section 2c of the Michigan tourism policy act, 1945 PA
7 106, MCL 2.102c.

8 (j) "Municipality" means a county with a population of less
9 than 650,000 or a city, village, or township within a county with a
10 population of less than 650,000.

11 (k) "Owner" means the owner of a transient facility to be
12 served by the bureau or, if the transient facility is operated or
13 managed by a person other than the owner, then the operator or
14 manager of that transient facility.

15 (l) "Room" means a room or other space provided for sleeping
16 that can be rented independently, including the furnishings and
17 other accessories in the room. Room includes, but is not limited
18 to, a condominium or time-sharing unit that, pursuant to a
19 management agreement, may be used to provide dwelling, lodging, or
20 sleeping quarters for a transient guest.

21 (m) "Room charge" means the charge imposed for **a short-term**
22 **rental or** the use or occupancy of a room, excluding charges for
23 food, beverages, state use tax, telephone service, or like services
24 paid in connection with the charge, and excluding reimbursement of
25 the assessment imposed by this act.

26 (n) **"Short-term rental" and "short-term transient facility"**
27 **mean those terms as defined in the Michigan short-term rental**
28 **promotion act.**

29 (o) ~~(n)~~—"Transient facility" means a **short-term transient**



facility or building or combination of buildings under common ownership, operation, or management that contains 10 or more rooms used in the business of providing dwelling, lodging, or sleeping to transient guests, whether or not membership is required for the use of the rooms. Transient facility does not include a college or school dormitory, a hospital, a nursing home, or a facility owned and operated by an organization qualified for an exemption from federal taxation under section 501(c) of the internal revenue code, **26 USC 501.**

(p) ~~(e)~~ "Transient guest" means a natural person who occupies a room in a transient facility for less than 30 consecutive days regardless of who pays the room charge.

(q) ~~(p)~~ "Travel bureau" means the Michigan travel bureau created under section 2a of the Michigan tourism policy act, 1945 PA 106, MCL 2.102a.

Sec. 4. A marketing program may include all or any of the following:

(a) Provisions for establishing and paying the costs of advertising, marketing, and promotional programs to encourage convention business or tourism in the assessment district.

(b) Provisions for assisting transient facilities within the assessment district in promoting convention business or tourism.

(c) Provisions for the acquisition of personal property considered appropriate by the bureau in furtherance of the purposes of the marketing program.

(d) Provisions for the hiring of and payment for personnel employed by the bureau to implement the marketing program.

(e) Provisions for contracting with organizations, agencies, or persons for carrying out activities in furtherance of the



1 purposes of the marketing program.

2 (f) Programs for establishing and paying the costs of research
3 designed to encourage convention business or tourism in the
4 assessment district.

5 (g) Provisions for incurring any other expense or cost which
6 the board, in the exercise of its reasonable business judgment,
7 considers reasonably related to promotion of the convention
8 business or tourism within the assessment district.

9 (h) Procedures for election of the board.

10 **(i) Provisions clarifying the assessment on room charges for**
11 **short-term rentals of short-term transient facilities.**

12 Enacting section 1. This amendatory act does not take effect
13 unless Senate Bill No.____ or House Bill No.____ (request no.
14 01509'19) of the 100th Legislature is enacted into law.

