

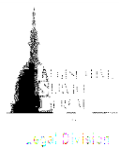
HOUSE BILL NO. 4590

May 15, 2019, Introduced by Rep. Cambensy and referred to the Committee on Local Government and Municipal Finance.

A bill to provide for the levy, collection, and administration of an excise tax on room charges of certain transient facilities by transient guests and on certain other rentals; to provide for the disposition of the proceeds of the excise tax; to prescribe the powers and duties of certain state departments, local units of government, and state and local officials; to provide for certain penalties; and to provide for certain exemptions.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 1. This act shall be known and may be cited as the
- 2 "tourism reinvestment excise tax act".



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1 Sec. 2. As used in this act:

2 (a) "Excise tax" means the excise tax levied by a qualified
3 county under section 3.

4 (b) "Owner" means the owner of a transient facility located
5 within the qualified county or, if the transient facility is
6 operated or managed by a person other than the owner, then the
7 operator or manager of that transient facility.

8 (c) "Qualified county" means a county that adjoins a Great
9 Lake with a population as follows:

10 (i) Of more than 64,000 and less than 70,000 according to the
11 most recent decennial census.

12 (ii) Of more than 9,200 and less than 9,750 according to the
13 most recent decennial census.

14 (iii) Of more than 7,500 and less than 8,600 according to the
15 most recent decennial census.

16 (iv) Of more than 6,000 and less than 6,750 according to the
17 most recent decennial census.

18 (d) "Room" means a room or other space provided for sleeping.

19 (e) "Room charge" means the charge imposed for the use or
20 occupancy of a room, excluding charges for food, beverages, state
21 use tax, telephone service or like services paid in connection with
22 the charge.

23 (f) "Transient facility" means a building that contains 2 or
24 more rooms used in the business of providing dwelling, lodging, or
25 sleeping to transient guests, whether or not membership is required
26 for the use of the rooms. A transient facility shall not include a
27 hospital or nursing home.

28 (g) "Transient guest" means a person who occupies a room in a
29 transient facility for less than 30 consecutive days regardless of



1 who pays the room charge for the room.

2 (h) "Use tax" means the tax imposed under the use tax act,
3 1937 PA 94, MCL 205.91 to 205.111.

4 Sec. 3. (1) Subject to subsection (3), a qualified county may
5 levy, collect, and administer an excise tax on the owners of a
6 transient facility used in the business of providing dwelling,
7 lodging, or sleeping to a transient guest in that qualified county.

8 (2) The excise tax described in subsection (1) shall not
9 exceed 5% of the room charge for the transient facility.

10 (3) A qualified county shall not levy an excise tax described
11 in subsection (1) unless a majority of the voters of that county
12 voting on that question approve the levy of the excise tax
13 described in this section.

14 (4) The excise tax levied under this act shall be administered
15 by the qualified county that levied the excise tax.

16 (5) A qualified county levying an excise tax under this act
17 may provide in the ordinance or resolution for 1 or more of the
18 following:

19 (a) The adoption and enforcement of rules to apply, interpret,
20 effectuate, and administer the excise tax.

21 (b) The prescribing and furnishing to taxpayers of forms,
22 instructions, manuals, and other materials necessary for
23 enforcement of the excise tax and the auditing of excise tax
24 returns in cooperation with the department of treasury.

25 (c) The examination by the qualified county or the department
26 of treasury, or 1 of their agents, of the books and records of a
27 taxpayer for purposes of determining the correctness of a tax
28 return or information filed, or the determination of any tax
29 liability under this act.



1 (d) The imposition of a fine of not more than \$500.00, or
2 imprisonment of not more than 90 days, or both for violation of the
3 ordinance or resolution imposing the excise tax.

4 (e) If the excise tax imposed under this act remains unpaid
5 for more than 90 days, the treasurer of the qualified county may
6 collect the excise tax in the same manner as a delinquent special
7 assessment, along with any associated interest, fees, and costs,
8 under the general property tax act, 1893 PA 206, MCL 211.1 to
9 211.155.

10 (6) The excise taxes levied under this act shall be in
11 addition to any other taxes, charges, assessments, or fees.

12 Sec. 4. (1) The excise tax shall be collected at the same time
13 and in the same manner as the tax imposed under the use tax act,
14 1937 PA 94, MCL 205.91 to 205.111.

15 (2) The excise tax imposed by this act shall be collected by
16 the department of treasury under 1941 PA 122, MCL 205.1 to 205.31.

17 (3) The state treasurer may promulgate necessary rules for the
18 collection of the excise tax under the administrative procedures
19 act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

20 Sec. 5. A taxpayer may reimburse himself or herself by adding
21 the amount of the excise tax to the room charge.

22 Sec. 6. (1) The proceeds from the collection of the excise tax
23 imposed under this act shall be deposited with the state treasurer
24 and credited to a restricted account for the benefit of the
25 qualified county that levied the tax under section 3. Not later
26 than 60 days following the end of the calendar month in which the
27 proceeds of the excise tax were received by the department of
28 treasury, the proceeds of the excise tax shall be paid to the
29 treasurer of the qualified county that levied the excise tax.



1 (2) The qualified county shall use the proceeds of the excise
2 tax only for 1 or more of the following:

- 3 (a) Public safety expenses related to increased tourism.
4 (b) Public recreation expenses related to increased tourism.

