

# HOUSE BILL NO. 5521

November 03, 2021, Introduced by Rep. Cambensy and referred to the Committee on Commerce and Tourism.

A bill to provide for the levy, collection, and administration of an excise tax on room charges of certain short-term transient facilities by transient guests; 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 may be cited as the "tourism reinvestment  
2 excise tax act".

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 short-term transient facility  
5 located within the qualified county or, if the short-term transient  
6 facility is operated or managed by a person other than the owner,  
7 then the operator or manager of that short-term transient facility.

8           (c) "Qualified county" means a county that is within a  
9 regional assessment district as described in section 2 of the  
10 regional tourism marketing act, 1989 PA 244, MCL 141.892.

11           (d) "Room" means a room or other space provided for sleeping  
12 in a short-term rental.

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

17           (f) "Short-term rental" means the rental of a single family  
18 residence or a 1-to-4 family house or dwelling unit, or any unit or  
19 group of units in a condominium, for a term of not more than 30  
20 consecutive days.

21           (g) "Short-term transient facility" means a building that  
22 contains 1 or more rooms used in the business of providing short-  
23 term rentals to transient guests, whether or not membership is  
24 required for the use of the rooms. A short-term transient facility  
25 shall not include a hospital or nursing home.

26           (h) "Transient guest" means a person who occupies a room in a  
27 short-term transient facility for not more than 30 consecutive days  
28 regardless of who pays the room charge for the room.

29           (i) "Use tax" means the tax imposed under the use tax act,

1 1937 PA 94, MCL 205.91 to 205.111.

2       Sec. 3. (1) Subject to subsection (3), a qualified county may  
3 levy, collect, and administer an excise tax on the owners of a  
4 short-term transient facility used in the business of providing  
5 short-term rentals to a transient guest that is located in that  
6 qualified county.

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

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

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

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

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

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

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

29       (d) The imposition of a fine of not more than \$500.00, or

1 imprisonment of not more than 90 days, or both for violation of the  
2 ordinance or resolution imposing the excise tax.

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

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

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

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

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

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

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 and distribute the proceeds  
2 of the excise tax only as follows:

3           (a) 60% to be used as determined by the qualified county in  
4 the ordinance or resolution approving the excise tax under this  
5 act.

6           (b) 20% to support emergency repairs and trail improvements of  
7 the network of trails located in the qualified county as determined  
8 by the qualified county.

9           (c) 10% to the department of natural resources to support  
10 conservation officers and land management operations in the  
11 qualified county as determined by the qualified county.

12           (d) 10% to the department of state police for additional road  
13 patrols in the qualified county as determined by the qualified  
14 county.