



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone 517/373-6466

HOTEL-MOTEL TAX: MUSEUMS & FESTIVALS

RECEIVED

APR 17 1989

House Bill 4333

Sponsor: Richard Bandstra Mich. State Law Library
Committee: Taxation

Complete to 3-6-89

A SUMMARY OF HOUSE BILL 4333 AS INTRODUCED 3-2-89

The bill would allow proceeds from the county hotel-motel tax (or accommodations tax) to be used to finance festivals and to acquire, improve, and maintain museums. Museums would be added to the definition of "convention and entertainment facilities" in Public Act 263 of 1974, and festivals would specifically be included within the category of tourist and convention business. Generally speaking, the tax is for use in the promotion of conventions and tourism, including the construction and maintenance of convention and entertainment facilities. (A county with a population of under 600,000 and containing a city with a population of at least 40,000 may adopt the tax by ordinance. The tax is on "persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes . . . to transient guests," and cannot exceed five percent of the total charge for accommodations.

MCL 141.861 and 867

House Bill 4333 (3-6-89)