

HOUSE BILL No. 6315

July 23, 2008, Introduced by Rep. Condino and referred to the Committee on Tax Policy.

A bill to amend 1974 PA 263, entitled

"An act to permit counties to impose and collect an excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; to provide for the disposition of the revenues thereof; and to prescribe penalties,"

by amending the title and sections 1, 2, 3, 4, and 7 (MCL 141.861, 141.862, 141.863, 141.864, and 141.867), section 2 as amended by 2004 PA 118 and section 7 as amended by 1989 PA 13.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to permit ~~counties~~ **CERTAIN LOCAL UNITS OF GOVERNMENT** to impose and collect an excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; to provide for the disposition of the revenues;

1 ~~thereof,~~ and to prescribe penalties.

2 Sec. 1. As used in this act:

3 (a) "Accommodations" means the room or other space provided
4 for sleeping, including furnishings and other accessories therein.
5 Accommodations do not include food and beverages.

6 (b) "Administrator" means the official designated by the
7 ~~county~~ **QUALIFIED LOCAL GOVERNMENTAL UNIT** to collect the tax and to
8 administer and enforce the ordinance.

9 (c) "Convention and entertainment facilities" means all or any
10 part, or any combination of convention halls, auditoriums,
11 stadiums, music halls, arenas, meeting rooms, exhibit areas, and
12 related public areas.

13 (d) "Person" means a natural person, partnership, fiduciary,
14 association, corporation, or other entity.

15 **(E) "QUALIFIED LOCAL GOVERNMENTAL UNIT" MEANS 1 OF THE**
16 **FOLLOWING:**

17 **(i) A COUNTY WITH A POPULATION OF LESS THAN 600,000 THAT**
18 **CONTAINS A CITY WITH A POPULATION OF 40,000 OR MORE.**

19 **(ii) A CITY WITH A POPULATION OF MORE THAN 50,000 AND LESS THAN**
20 **100,000 THAT CONTAINS 2,500 OR MORE HOTEL ROOMS.**

21 **(F) ~~(e)~~**"Revenues" means the income derived from the tax, plus
22 interest and penalties imposed by this act, levied and assessed
23 under an ordinance adopted pursuant to this act.

24 **(G) ~~(f)~~**"Transient guest" means a natural person staying less
25 than 30 consecutive days.

26 Sec. 2. (1) ~~The county board of commissioners of a county~~
27 ~~having a population of less than 600,000 persons, and having a city~~

1 ~~of at least 40,000 population~~ **A QUALIFIED LOCAL GOVERNMENTAL UNIT**
2 may enact an ordinance to levy, assess, and collect an excise tax
3 from all persons engaged in the business of providing rooms for
4 dwelling, lodging, or sleeping purposes, except in hospitals or
5 nursing homes, to transient guests, whether or not membership is
6 required for the use of the accommodations.

7 (2) If a **QUALIFIED LOCAL GOVERNMENTAL UNIT THAT IS A** county
8 meets the requirements of subsection (1) on the date it enacts an
9 ordinance under this act and, after the 1990 decennial census, the
10 county has a population of less than 120,000 persons and has a city
11 with a population of 35,000 or more persons, that ~~county~~ **QUALIFIED**
12 **LOCAL GOVERNMENTAL UNIT** may continue to levy, assess, and collect
13 the excise tax under this act until October 1, 1991.

14 (3) If a ~~county~~ **QUALIFIED LOCAL GOVERNMENTAL UNIT** described in
15 subsection (2) has any accommodations located within ~~the~~ **A** county
16 that are also located within the boundaries of a city in which the
17 majority of the population of that city reside in an adjoining
18 county, then the accommodation is exempt from the tax under this
19 act.

20 (4) If a ~~county~~ **QUALIFIED LOCAL GOVERNMENTAL UNIT** described in
21 subsection (2) has any accommodations located within ~~the~~ **A** county
22 that are also located within the boundaries of a city with a
23 population of less than 5,000 persons, then the accommodation is
24 exempt from tax under this act.

25 (5) The ordinance provided by this act may be amended or
26 repealed in the same manner as it was adopted.

27 (6) The tax imposed pursuant to this act shall be at a rate of

1 not more than 5% of the total charge for accommodations subject to
2 this act.

3 (7) If a ~~county~~**QUALIFIED LOCAL GOVERNMENTAL UNIT** meets the
4 requirements of subsection (1) on the date it enacts an ordinance
5 under this act, the ~~county~~**QUALIFIED LOCAL GOVERNMENTAL UNIT** may
6 continue to levy, assess, and collect the excise tax under this
7 act.

8 Sec. 3. A ~~county~~**QUALIFIED LOCAL GOVERNMENTAL UNIT** levying a
9 tax pursuant to an ordinance adopted under this act shall provide
10 in the ordinance for:

11 (a) The effective date of the ordinance which shall be in
12 accordance with section 5.

13 (b) The rate of the tax to be imposed.

14 (c) The rate and manner of the imposition of interest and
15 penalties for delinquency in payment of taxes or other violations
16 of the ordinance. The interest imposed on delinquency in payment of
17 the tax shall not be more than 1% per month or fraction ~~thereof~~**OF**
18 **A MONTH** of the unpaid tax after the due date ~~thereof~~ until paid.
19 The penalty for delinquency in payment of the tax when due or other
20 violations of the ordinance may be in addition to the interest but
21 shall not be more than 5% of the amount of the unpaid tax per month
22 or fraction ~~thereof~~**OF A MONTH** after the due date ~~thereof~~ until
23 paid. However, the penalty shall not exceed 25% of the unpaid tax.

24 (d) The determination and allowance of abatements and refunds.

25 (e) The designation of the administrator of the tax and
26 methods of collection.

27 Sec. 4. A ~~county~~**QUALIFIED LOCAL GOVERNMENTAL UNIT** levying a

1 tax under this act may provide in the ordinance for:

2 (a) The adoption and enforcement of rules to apply, interpret,
3 effectuate, and administer the ordinance and the purposes of the
4 tax.

5 (b) The prescribing and furnishing to taxpayers of forms,
6 instructions, manuals, and other materials necessary for
7 indorsement of the tax and the auditing of tax returns.

8 (c) The examination by the administrator or his **OR HER** agent
9 of the books and records of a taxpayer for purposes of determining
10 the correctness of a tax return or information filed, or the
11 determination of any tax liability ~~thereunder~~ **UNDER THIS ACT**.

12 (d) The imposition of a fine of not more than \$500.00, or
13 imprisonment of not more than 90 days, or both for violation of the
14 ordinance.

15 Sec. 7. The revenues derived from the taxes imposed pursuant
16 to this act shall be deposited in a special fund to be used by the
17 ~~county~~ **QUALIFIED LOCAL GOVERNMENTAL UNIT** or by an authority that is
18 organized pursuant to state law, together with other available
19 funds only to pay:

20 (a) The cost of administration and enforcement of the
21 ordinance.

22 (b) The financing of the acquisition, construction,
23 improvement, enlargement, repair, or maintenance of convention and
24 entertainment facilities, including, except as provided in
25 subdivision (e), the payment of principal and interest, when due,
26 on bonds or other evidence of indebtedness issued by the ~~county~~
27 **QUALIFIED LOCAL GOVERNMENTAL UNIT** for convention and entertainment

1 facilities.

2 (c) Except as provided in subdivision (e), current or future
3 annual rental payable by the ~~county~~**QUALIFIED LOCAL GOVERNMENTAL**
4 **UNIT** to an authority organized pursuant to state law for the
5 purpose of acquiring, constructing, improving, enlarging,
6 repairing, or maintaining the convention and entertainment
7 facilities and leasing them to the ~~county~~**A QUALIFIED LOCAL**
8 **GOVERNMENTAL UNIT**.

9 (d) The promotion and encouragement of tourist and convention
10 business in the ~~county~~**QUALIFIED LOCAL GOVERNMENTAL UNIT**.

11 (e) The principal and interest, when due, on bonds or other
12 evidence of indebtedness issued by or on behalf of the ~~county~~
13 **QUALIFIED LOCAL GOVERNMENTAL UNIT** for the purpose of financing the
14 construction of a museum, or the current or future rental payable
15 by the ~~county~~**QUALIFIED LOCAL GOVERNMENTAL UNIT** to an authority
16 organized pursuant to state law for the purpose of constructing a
17 museum and leasing it to the ~~county~~**QUALIFIED LOCAL GOVERNMENTAL**
18 **UNIT**, only if the museum is located in a city with a population of
19 180,000 or more.