



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5245 (Substitute H-2 as passed by the House)
Sponsor: Representative Wayne Schmidt
House Committee: Commerce
Senate Committee: Economic Development

Date Completed: 12-5-12

CONTENT

The bill would amend the Community Convention or Tourism Marketing Act to increase the delinquency charge on late assessments, and require the payment of attorney fees and court costs incurred in collecting delinquent assessments.

The Act authorizes a nonprofit convention and tourism bureau to establish a marketing program funded by an assessment collected from owners of transient facilities (such as hotels and motels) within an assessment district. An assessment district may consist of one or more municipalities described in the marketing program. ("Municipality" means a county with a population of less than 650,000, and a city, village, or township within a county of that size.) The maximum assessment allowed is 5% of room charges, and assessments must be paid within 30 days after the end of each month.

The Act requires an owner to pay interest at a rate of 1.5% per month on any assessments not paid on time. In addition, an owner who is delinquent for more than 90 days must pay a delinquency charge of 1.5% per month or fraction of a month on the amount of the delinquent assessments.

The bill would increase the delinquency charge to 3.0% per month, and would require the owner to pay the costs of reasonable attorney fees and court costs incurred in collecting the delinquent assessments.

The bill also specifies that all assessments owed to a bureau by an owner of a transient facility within an assessment district would have to be considered trust funds and remitted to the bureau as required by the Act.

MCL 141.875

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: David Zin

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