

# HOUSE BILL NO. 4555

May 02, 2019, Introduced by Reps. Ellison, Brixie, Tate, Hope, Garza, Sneller, Cynthia Johnson and Lilly and referred to the Committee on Commerce and Tourism.

A bill to amend 1991 PA 180, entitled

"An act to assist in the financing of stadia or convention facilities; to permit eligible municipalities to impose and collect an excise tax on businesses engaged in the preparation and delivery of food and beverages for immediate consumption, in leasing or renting motor vehicles in the eligible municipality, and in providing accommodations for dwelling, lodging, or sleeping purposes; to limit the rate of that excise tax; to authorize voter approval in a single ballot question of the excise tax authorized by this act and of certain purposes for which the excise tax is imposed; to provide for the establishment of procedures for the collection, administration, and enforcement of the excise tax; to prescribe the powers and duties of certain state departments and



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state and local officials; to provide for the disposition and transmittal of the revenues from the tax for stadia or convention facility development and other purposes and authorize the pledge of those revenues; to authorize the appointment of employees and officials of a local governmental unit to an authority to which revenues from the tax may be pledged; to prescribe penalties and provide remedies; and to repeal certain acts and parts of acts,"

by amending sections 1, 2, and 6 (MCL 207.751, 207.752, and 207.756), section 1 as amended by 2008 PA 532.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. As used in this act:

2           (a) "Accommodations" means the room or other space provided  
3 for sleeping, including furnishings and other accessories in the  
4 room but not including the provision of food, beverages, telephone  
5 services, television or movie services, or other similar services,  
6 in a facility that is not a hospital, nursing home, emergency  
7 shelter, community mental health or community substance abuse  
8 treatment facility, or campground.

9           (b) "Chief executive officer" means for a county the county  
10 executive of a county or, if the county does not have an elected  
11 county executive, the chairperson of the county board of  
12 commissioners and for a city, the mayor.

13           (c) "Convention facility" means a convention exhibition  
14 facility, including meeting rooms and necessary sites, related  
15 parking lots or structures, and appurtenant properties and  
16 facilities, if the facility itself contains not less than 50,000  
17 square feet of exhibition space and if the eligible municipality is  
18 a county, the facility is located within the boundaries of the most  
19 populous city in the county.

20           (d) "Eligible county" means a county with a population of  
21 1,500,000 or more persons that adopts or has adopted a charter



1 under 1966 PA 293, MCL 45.501 to 45.521, and that intends to impose  
 2 the tax authorized by this act for purposes related to a stadium as  
 3 defined under subdivision ~~(i)-(i)-(j) (i)~~ .

4 (e) "Eligible municipality" means any of the following:

5 (i) An eligible county that intends to impose a tax under this  
 6 act for purposes related to a stadium as defined under subdivision  
 7 ~~(i)-(i)-(j) (i)~~ .

8 (ii) A county that is not a charter county that has a  
 9 population of more than 500,000 and contains a city with a  
 10 population of 180,000 or more persons, or the most populous city in  
 11 that county if either intends to impose a tax under this act for  
 12 purposes related to a stadium as defined under subdivision ~~(i)-(ii)~~  
 13 **(j) (ii)** or a convention facility.

14 (iii) A county with a population of less than 200,000 that  
 15 contains a city with a population of more than 40,000 but less than  
 16 50,000, or the most populous city in that county if either intends  
 17 to impose a tax under this act for purposes related to a stadium as  
 18 defined under subdivision ~~(i)-(ii)-(j) (ii)~~ or a convention facility.

19 (iv) A county with a population of less than 300,000 with a  
 20 city with a population of more than 100,000 persons, or the most  
 21 populous city within that county if either intends to impose a tax  
 22 under this act for purposes related to a stadium as defined under  
 23 subdivision ~~(i)-(ii)-(j) (ii)~~ or a convention facility.

24 (v) A county with a population of more than 250,000 with an  
 25 optional unified form of government or a city within that county  
 26 that levies a city income tax if either intends to impose a tax  
 27 under this act for purposes related to a stadium as defined under  
 28 subdivision ~~(i)-(ii)-(j) (ii)~~ or a convention facility.



1           (vi) A county with a population of less than 300,000 with a  
2 city with a population of more than 70,000 persons, or the most  
3 populous city within that county if either intends to impose a tax  
4 under this act for purposes related to a stadium as defined under  
5 subdivision ~~(i)-(ii)-(j)~~ **(ii)** .

6           (f) "Gross receipts" means that term as defined in former  
7 section 7 of 1975 PA 228, ~~or~~ section 111 of the Michigan business  
8 tax act, 2007 PA 36, MCL 208.1111, **or section 607 of the income tax**  
9 **act of 1967, 1967 PA 281, MCL 206.607**. Gross receipts do not  
10 include any amount received as reimbursement of sales tax or as  
11 charges for use tax.

12           (g) "Motor vehicle" means a motor vehicle subject to  
13 registration and certificate of title under section 216 of the  
14 Michigan vehicle code, 1949 PA 300, MCL 257.216, that is designed  
15 and intended to be used primarily in the transportation of  
16 passengers. Motor vehicle does not include a road tractor, school  
17 bus, special mobile equipment, tank vehicle, truck tractor,  
18 implement of husbandry, or farm tractor as these terms are defined  
19 by the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

20           (h) "Person" means an individual, partnership, corporation,  
21 association, or other legal entity.

22           **(i) "Short-term rental" and "short-term transient facility"**  
23 **mean those terms as defined in the Michigan short-term rental**  
24 **promotion act.**

25           (j) ~~(i)~~ "Stadium" means a facility, including necessary sites,  
26 related parking lots or structures, and appurtenant properties and  
27 facilities, that is intended to provide space for any of the  
28 following:

29           (i) A professional baseball franchise, if the facility itself



1 contains not less than 25,000 seats and is located in the downtown  
2 area of the most populous city in the eligible county.

3 (ii) Professional sports or entertainment, if the facility  
4 itself contains not less than 3,000 seats, is not a facility as  
5 defined by subparagraph (i).

6 (k) ~~(j)~~—"Transient guest" means a person who occupies an  
7 accommodation for less than 30 consecutive days.

8 Sec. 2. (1) The governing body of an eligible municipality, by  
9 ordinance, may levy, assess, and collect an excise tax on the  
10 privilege of operating the following businesses in the eligible  
11 municipality:

12 (a) A person engaged in the business of preparation and  
13 delivery of food or alcoholic or nonalcoholic beverages for  
14 immediate consumption either on or off the premises, who is  
15 licensed to operate within the eligible municipality as a food  
16 service establishment **described** under ~~part 129 of the public health~~  
17 ~~code, Act No. 368 of the Public Acts of 1978, being sections~~  
18 ~~333.12901 to 333.12922 of the Michigan Compiled Laws.~~ **section 1107**  
19 **of the food law, 2000 PA 92, MCL 289.1107.** This subdivision does  
20 not apply to a school district, to a nonprofit organization exempt  
21 from paying sanitation fees under ~~section 12906(3) of part 129 of~~  
22 ~~Act No. 368 of the Public Acts of 1978, being section 333.12906 of~~  
23 ~~the Michigan Compiled Laws,~~ **additional license fees under section**  
24 **3119 of the food law, 2000 PA 92, MCL 289.3119,** or to a ~~grocery~~  
25 ~~store licensed under the food processing act of 1977, Act No. 328~~  
26 ~~of the Public Acts of 1978, being sections 289.801 to 289.810 of~~  
27 ~~the Michigan Compiled Laws,~~ **retail grocery described in section**  
28 **1111 of the food law, 2000 PA 92, MCL 289.1111,** whose sale of food  
29 or beverages for immediate consumption is in a volume incidental to



1 the volume of its business as a ~~grocery~~**retail** store.

2 (b) A person engaged in the business of the leasing or rental  
3 of motor vehicles of which delivery is made in the eligible  
4 municipality.

5 (c) A person engaged in the business of providing  
6 accommodations for dwelling, lodging, or sleeping purposes in an  
7 eligible municipality to transient guests, whether or not  
8 membership is required for the use of the accommodations. **A person**  
9 **engaged in the business of providing accommodations for dwelling,**  
10 **lodging, or sleeping includes short-term rentals of short-term**  
11 **transient facilities.**

12 (2) The rate of tax imposed pursuant to subsection (1) shall  
13 not exceed the following amounts:

14 (a) 1% of the gross receipts received by the person subject to  
15 tax under subsection (1)(a) from the sale of food and beverages,  
16 including alcoholic beverages, for immediate consumption either on  
17 or off the premises.

18 (b) 2% of the gross receipts received by the person subject to  
19 tax under subsection (1)(b) from the leasing or rental of motor  
20 vehicles for periods of less than 30 consecutive days.

21 (c) 1% of the gross receipts received by a person subject to  
22 tax under subsection (1)(c) from the charges imposed for the use or  
23 occupancy of accommodations provided in the eligible municipality  
24 to transient guests, but excluding charges imposed as reimbursement  
25 for the tax levied under the state convention facility development  
26 act, ~~Act No. 106 of the Public Acts of 1985, being sections 207.621~~  
27 ~~to 207.640 of the Michigan Compiled Laws, 1985 PA 106, MCL 207.621~~  
28 **to 207.640**, or for assessments imposed under the convention and  
29 tourism marketing act, ~~Act No. 383 of the Public Acts of 1980,~~



1 ~~being sections 141.881 to 141.889 of the Michigan Compiled Laws,~~  
2 **1980 PA 383, MCL 141.881 to 141.889,** the regional tourism marketing  
3 act, ~~Act No. 244 of the Public Acts of 1989, being sections 141.891~~  
4 ~~to 141.900 of the Michigan Compiled Laws,~~ **1989 PA 244, MCL 141.891**  
5 **to 141.900,** and the community convention or tourism marketing act,  
6 ~~Act No. 395 of the Public Acts of 1980, being sections 141.871 to~~  
7 ~~141.880 of the Michigan Compiled Laws.~~ **1980 PA 395, MCL 141.871 to**  
8 **141.880.**

9 (3) The ordinance shall specify the date on which the  
10 ordinance becomes effective, which shall not be earlier than 30  
11 days after the date on which the ordinance is approved by a vote of  
12 a majority of the electors of the eligible municipality voting on  
13 the ordinance at a primary or general election or at a special  
14 election called for that purpose. Any ordinance under this act  
15 shall not be submitted to the electors of an eligible municipality  
16 more than 2 times. The county clerk and all local election  
17 officials within the county shall take those steps necessary to  
18 conduct the election, the incremental expense of which shall be  
19 reimbursed by the eligible county. The question presented to the  
20 voters shall state the rates at which the tax is authorized and  
21 that the purpose of the tax is principally to secure and fund the  
22 payment of rentals by the eligible municipality to an authority  
23 organized for the purpose of acquiring a stadium or convention  
24 facility and leasing it to the eligible municipality. The question  
25 presented may also request approval of the leasing and subleasing  
26 of the stadium or convention facility by the eligible municipality.  
27 However, if the question presented does not include a request for  
28 approval of the leasing and subleasing of the stadium or convention  
29 facility, a right of initiative and referendum exists, pursuant to



1 the terms of the local charter, in relation to the adoption or  
2 execution of any contract, lease, or sublease for the stadium or  
3 convention facility or of any amendment to any contract of lease or  
4 sublease of any local unit of government necessary to allow the  
5 eligible municipality to lease or sublease the stadium or  
6 convention facility.

7 (4) The ordinance imposing the excise tax authorized by this  
8 act shall provide for the expiration of the excise tax not later  
9 than the end of the fiscal year of the eligible municipality in  
10 which obligations issued by an authority to which the revenues of  
11 the excise tax are pledged as rentals under section 6 or any  
12 obligations that may refund those obligations, in whole or in part,  
13 are retired.

14 (5) A right of initiative and referendum exists in relation to  
15 any issue related to an ordinance adopted in a county that is not a  
16 charter county. To invoke that initiative or referendum, petitions  
17 signed by not less than 5% of the registered electors in the county  
18 shall be filed with the county clerk of that county. The county  
19 board of commissioners shall provide the time and manner of  
20 submitting the question at the election and of determining the  
21 result of the election.

22 (6) An eligible municipality shall not levy the tax under this  
23 act on businesses upon which another eligible municipality has  
24 imposed the tax.

25 Sec. 6. The revenues from the tax imposed under this act shall  
26 be deposited in a special fund and shall be used and may be pledged  
27 by the eligible municipality only for the following purposes or  
28 paid to the following entities in the following order of priority:

29 (a) Costs borne by the eligible municipality for the election





1 required under section 2(3) and in the administration and  
2 enforcement of the ordinance.

3 (b) Costs associated with the acquisition and construction of  
4 a stadium as defined by section ~~1(i)(i)~~**1(j)(i)** or with the  
5 acquisition, improvement, enlargement, and construction of a  
6 stadium as defined by section ~~1(i)(ii)~~**1(j)(ii)** or convention  
7 facility as defined by section 1(c), including the reimbursement of  
8 those costs paid by an eligible municipality, and costs of current  
9 or future annual rental payable for a stadium or convention  
10 facility by an eligible municipality, or reimbursement of the  
11 eligible municipality for rentals paid, to an authority that is  
12 incorporated by the eligible municipality pursuant to ~~Act No. 31 of~~  
13 ~~the Public Acts of the First Extra Session of 1948,~~ being sections  
14 ~~123.951 to 123.965 of the Michigan Compiled Laws.~~**1948 IL 1, MCL**  
15 **123.951 to 123.965.**

16 (c) To the extent not needed for purposes identified in  
17 subdivision (a) or (b) in any year or to maintain a reserve for  
18 those purposes in future years, costs associated with the clearance  
19 and improvement of land for assembly and development purposes.

20 Enacting section 1. This amendatory act does not take effect  
21 unless Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
22 01509'19) of the 100th Legislature is enacted into law.

