

# HOUSE BILL NO. 4556

May 02, 2019, Introduced by Reps. Marino, Brixie and Lilly and referred to the Committee on Commerce and Tourism.

A bill to amend 1985 PA 106, entitled "State convention facility development act," by amending sections 3 and 4 (MCL 207.623 and 207.624), as amended by 2009 PA 61.

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

- 1           Sec. 3. As used in this act:
- 2           (a) "Accommodations" means the room or other space provided to
- 3 transient guests for dwelling, lodging, or sleeping, including
- 4 furnishings and other accessories, in a facility that is not a



1 campground, hospital, nursing home, emergency shelter, or community  
2 mental health or community substance abuse treatment facility.  
3 Accommodations do not include food or beverages.

4 (b) "Commissioner" means the state treasurer.

5 (c) "Convention facility" means 1 or more facilities owned or  
6 leased by a local governmental unit or metropolitan authority  
7 created under the regional convention facility authority act, 2008  
8 PA 554, MCL 141.1351 to 141.1379, that are any combination of a  
9 convention hall, auditorium, meeting rooms, and exhibition areas  
10 that are separate and distinct and contiguous to each other, and  
11 related adjacent public areas generally available to members of the  
12 public for lease on a short-term basis for holding conventions,  
13 meetings, exhibits, and similar events and the necessary site or  
14 sites, together with appurtenant properties necessary and  
15 convenient for use in connection with the facility. Convention  
16 facility includes a qualified convention facility as defined under  
17 section 5 of the regional convention facility authority act, 2008  
18 PA 554, MCL 141.1355.

19 (d) "Convention hotel" means a facility used in the business  
20 of providing accommodations that has more than 80 rooms for  
21 providing accommodations to transient guests and that complies with  
22 all of the following:

23 (i) Located within a county having a population according to  
24 the most recent decennial census of 700,000 or more.

25 (ii) Located within a county that is 1 or more of the  
26 following:

27 (A) A county that has a convention facility with 350,000  
28 square feet or more of total exhibit space.

29 (B) A county that has 2,000 or more rooms to provide



1 accommodations for transient guests.

2 (e) "Local governmental unit" means a county, township, city,  
3 village, or a metropolitan authority formed under the regional  
4 convention facility authority act, 2008 PA 554, MCL 141.1351 to  
5 141.1379.

6 (f) "Person" means a natural person, partnership, limited  
7 partnership, fiduciary, association, corporation, limited liability  
8 company, or other entity.

9 (g) "Room charge" means the charge imposed for the use or  
10 occupancy of accommodations, excluding charges for food, beverages,  
11 telephone services, the use tax imposed under the use tax act, 1937  
12 PA 94, MCL 205.91 to 205.111, or like services paid in connection  
13 with the charge. Room charge does not include reimbursement of the  
14 assessment imposed by the community convention or tourism marketing  
15 act, 1980 PA 395, MCL 141.871 to 141.880, the convention and  
16 tourism marketing act, 1980 PA 383, MCL 141.881 to 141.889, or this  
17 act.

18 (h) **"Short-term rentals" and "short-term transient facilities"**  
19 **mean those terms as defined in the Michigan short-term rental**  
20 **promotion act.**

21 (i) ~~(h)~~ "Transient guest" means a natural person staying less  
22 than 30 consecutive days.

23 Sec. 4. (1) There is hereby levied upon and there shall be  
24 collected from any person engaged in the business of providing  
25 accommodations to transient guests in a **short-term rental of a**  
26 **short-term transient facility or in a** convention hotel, whether or  
27 not membership is required, an excise tax at the following rates:

28 (a) For a convention hotel located within a qualified local  
29 governmental unit under section 9(4), the following:



1 (i) A rate of 3% of the room charge for **short-term rentals of**  
2 **short-term transient facilities or** accommodations in a convention  
3 hotel with 81 to 160 rooms.

4 (ii) A rate of 6% of the room charge for accommodations in a  
5 convention hotel with more than 160 rooms.

6 (b) For all other convention hotels not subject to the tax  
7 rates imposed by subdivision (a), the following:

8 (i) A rate of 1.5% of the room charge for **short-term rentals of**  
9 **short-term transient facilities or** accommodations in a convention  
10 hotel with 81 to 160 rooms.

11 (ii) A rate of 5% of the room charge for accommodations in a  
12 convention hotel with more than 160 rooms.

13 (2) Beginning with the state fiscal year 1987, a person  
14 engaged in the business of providing accommodations to transient  
15 guests in a convention hotel is exempt from the tax imposed by this  
16 act for any state fiscal year in which appropriations of the tax  
17 collections pursuant to this act from that convention hotel have  
18 not been made for distributions pursuant to section 9 that would be  
19 received by a qualified local governmental unit from the  
20 collections of the tax under this act or section 1207 of the  
21 Michigan liquor control code of 1998, 1998 PA 58, MCL 436.2207,  
22 that the qualified local governmental unit is eligible to receive.

23 Enacting section 1. This amendatory act does not take effect  
24 unless Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
25 01509'19) of the 100th Legislature is enacted into law.

