

HOUSE BILL NO. 5172

June 29, 2021, Introduced by Reps. Cambensy, Howell, Roth, Peterson, Aiyash, Hood, Markkanen, Whitsett, Rabhi and Yancey and referred to the Committee on Commerce and Tourism.

A bill to provide for the levy, collection, and administration of an excise tax on room charges of certain short-term transient facilities by transient guests; to provide for the disposition of the proceeds of the excise tax; to prescribe the powers and duties of certain state departments, local units of government, and state and local officials; to provide for certain penalties; and to provide for certain exemptions.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the

1 "tourism reinvestment excise tax act".

2 Sec. 2. As used in this act:

3 (a) "Excise tax" means the excise tax levied by a qualified
4 county under section 3.

5 (b) "Owner" means the owner of a short-term transient facility
6 located within the qualified county or, if the short-term transient
7 facility is operated or managed by a person other than the owner,
8 then the operator or manager of that short-term transient facility.

9 (c) "Public safety" means 1 or more of the following:

10 (i) Personnel required to perform duties directly caused by a
11 significant increase in tourism to a county, township, city, or
12 village.

13 (ii) Public safety equipment directly needed by a significant
14 increase in tourism.

15 (iii) Public safety infrastructure such as fencing or signage in
16 order to keep tourists safe or out of danger.

17 (d) "Qualified county" means a county that is located in this
18 state.

19 (e) "Room" means a room or other space provided for sleeping
20 in a short-term rental.

21 (f) "Room charge" means the charge imposed for the use or
22 occupancy of a room, excluding charges for food, beverages, state
23 use tax, telephone service, or like services paid in connection
24 with the charge.

25 (g) "Short-term rental" means the rental of a single family
26 residence or a 1-to-4 family house or dwelling unit, or any unit or
27 group of units in a condominium, for a term of not more than 30
28 consecutive days.

29 (h) "Short-term transient facility" means a building that

1 contains 1 or more rooms used in the business of providing short-
2 term rentals to transient guests, whether or not membership is
3 required for the use of the rooms. A short-term transient facility
4 shall not include a hospital or nursing home.

5 (i) "Transient guest" means a person who occupies a room in a
6 short-term transient facility for not more than 30 consecutive days
7 regardless of who pays the room charge for the room.

8 (j) "Use tax" means the tax imposed under the use tax act,
9 1937 PA 94, MCL 205.91 to 205.111.

10 Sec. 3. (1) Subject to subsection (3), a qualified county may
11 levy, collect, and administer an excise tax on the owners of a
12 short-term transient facility used in the business of providing
13 short-term rentals to a transient guest that is located in that
14 qualified county.

15 (2) The excise tax described in subsection (1) shall not
16 exceed 3% of the room charge for the short-term transient facility.

17 (3) A qualified county shall not levy an excise tax described
18 in subsection (1) unless a majority of the voters of that county
19 voting on that question approve the levy of the excise tax
20 described in this section.

21 (4) The excise tax levied under this act shall be administered
22 by the qualified county that levied the excise tax.

23 (5) A qualified county levying an excise tax under this act
24 may provide in the ordinance or resolution for 1 or more of the
25 following:

26 (a) The adoption and enforcement of rules to apply, interpret,
27 effectuate, and administer the excise tax.

28 (b) The prescribing and furnishing to taxpayers of forms,
29 instructions, manuals, and other materials necessary for

1 enforcement of the excise tax and the auditing of excise tax
2 returns in cooperation with the department of treasury.

3 (c) The examination by the qualified county or the department
4 of treasury, or 1 of their agents, of the books and records of a
5 taxpayer for purposes of determining the correctness of a tax
6 return or information filed, or the determination of any tax
7 liability under this act.

8 (d) The imposition of a fine of not more than \$500.00, or
9 imprisonment of not more than 90 days, or both for violation of the
10 ordinance or resolution imposing the excise tax.

11 (e) If the excise tax imposed under this act remains unpaid
12 for more than 90 days, the treasurer of the qualified county may
13 collect the excise tax in the same manner as a delinquent special
14 assessment, along with any associated interest, fees, and costs,
15 under the general property tax act, 1893 PA 206, MCL 211.1 to
16 211.155.

17 (6) The excise taxes levied under this act shall be in
18 addition to any other taxes, charges, assessments, or fees.

19 Sec. 4. (1) The excise tax shall be collected at the same time
20 and in the same manner as the tax imposed under the use tax act,
21 1937 PA 94, MCL 205.91 to 205.111.

22 (2) The excise tax imposed by this act shall be collected by
23 the department of treasury under 1941 PA 122, MCL 205.1 to 205.31.

24 (3) The state treasurer may promulgate necessary rules for the
25 collection of the excise tax under the administrative procedures
26 act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

27 Sec. 5. A taxpayer may reimburse himself or herself by adding
28 the amount of the excise tax to the room charge of the short-term
29 rental.

1 Sec. 6. (1) The proceeds from the collection of the excise tax
2 imposed under this act shall be deposited with the state treasurer
3 and credited to a restricted account for the benefit of the
4 qualified county that levied the tax under section 3. Not later
5 than 60 days following the end of the calendar month in which the
6 proceeds of the excise tax were received by the department of
7 treasury, the proceeds of the excise tax shall be paid to the
8 treasurer of the qualified county that levied the excise tax.

9 (2) The qualified county shall use the proceeds of the excise
10 tax only for public safety.