

# SENATE BILL NO. 671

November 09, 2023, Introduced by Senators ANTHONY and CAMILLERI and referred to the Committee on Local Government.

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, 6, and 7 (MCL 141.861, 141.862, 141.863, 141.864, 141.866, and 141.867), section 2 as amended by 2004 PA 118, section 4 as amended by 2014 PA 284, and section 7 as amended by 1989 PA 13, and by adding section 2a.

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

**1**

TITLE

1           An act to permit counties **and cities** to impose and collect an  
 2 excise tax on persons engaged in the business of providing rooms  
 3 for dwelling, lodging, or sleeping purposes to transient guests; to  
 4 provide for the disposition of the ~~revenues thereof~~; **proceeds of**  
 5 **the excise tax**; and to prescribe penalties.

6           Sec. 1. As used in this act:

7           (a) "Accommodations" means the room or other space provided  
 8 for sleeping, including furnishings and other accessories ~~therein~~.  
 9 **in the room or other space**. Accommodations do not include food and  
 10 beverages.

11           (b) "Administrator" means the official designated by the  
 12 county **or city** to collect the **excise** tax and to administer and  
 13 enforce the ordinance.

14           (c) "Convention and entertainment facilities" means all, ~~or~~  
 15 any part, or any combination of convention halls, auditoriums,  
 16 stadiums, music halls, arenas, meeting rooms, exhibit areas, and  
 17 related public areas.

18           (d) **Excise tax**" means the excise tax levied by a county or  
 19 city under this act.

20           (e) "Ordinance" means an ordinance enacted by a county or city  
 21 under this act to levy, assess, and collect an excise tax.

22           (f) ~~(d)~~"Person" means a natural person, partnership,  
 23 fiduciary, association, corporation, or other entity.

24           (g) ~~(e)~~"Revenues" means the income derived from the **excise**  
 25 tax, plus interest and penalties imposed by this act, levied and  
 26 assessed under an ordinance adopted pursuant to this act.

27           (h) ~~(f)~~"Transient guest" means a natural person staying less  
 28 than 30 consecutive days.

29           Sec. 2. (1) The county board of commissioners of a county

1 ~~having that has~~ a population of less than 600,000 persons ~~, and~~  
2 ~~having that has~~ a city **with a population** of ~~at least not less than~~  
3 40,000, ~~population according to the most recent federal decennial~~  
4 **census**, may enact an ordinance to levy, assess, and collect an  
5 excise tax from all persons engaged in the business of providing  
6 rooms for dwelling, lodging, or sleeping purposes, except in  
7 hospitals or nursing homes, to transient guests, whether or not  
8 membership is required for the use of the accommodations.

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

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

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

26 (5) ~~The An ordinance provided by this act described in~~  
27 **subsection (1)** may be amended or repealed in the same manner as it  
28 was adopted.

29 (6) The **excise** tax imposed ~~pursuant to this act shall by a~~

1 **county must** be at a rate of not more than 5% of the total charge  
2 for accommodations subject to this act.

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

7 **Sec. 2a. (1) Subject to subsection (4), the city board of**  
8 **commissioners of a city that has a population of more than 100,000**  
9 **according to the most recent federal decennial census may enact an**  
10 **ordinance to levy, assess, and collect an excise tax from all**  
11 **persons engaged in the business of providing rooms for dwelling,**  
12 **lodging, or sleeping purposes, except in hospitals or nursing**  
13 **homes, to transient guests, whether or not membership is required**  
14 **for the use of the accommodations.**

15 (2) An ordinance described in subsection (1) may be amended or  
16 repealed in the same manner as it was adopted.

17 (3) The excise tax imposed by a city under subsection (1) must  
18 be at a rate of not more than 3% of the total charge for  
19 accommodations subject to this act.

20 (4) The city board of commissioners of a city shall not levy  
21 an excise tax under subsection (1) unless a majority of the  
22 qualified electors of that city voting on the question approve the  
23 levy of the excise tax in compliance with section 31 of article IX  
24 of the state constitution of 1963.

25 (5) If a city meets the requirements of subsection (1) on the  
26 date it enacts an ordinance, the city may continue to levy, assess,  
27 and collect the excise tax.

28 **Sec. 3. A county or city levying a** ~~an excise tax pursuant to~~  
29 ~~an ordinance adopted under this act~~ shall provide in the ordinance

1 for **all of the following**:

2 (a) The effective date of the ordinance, which ~~shall be in~~  
3 ~~accordance~~ **must comply** with section 5.

4 (b) The rate of the **excise** tax to be imposed.

5 (c) The rate and manner of the imposition of interest and  
6 penalties for delinquency in payment of **excise** taxes or other  
7 violations of the ordinance. The interest imposed on delinquency in  
8 payment of the **excise** tax ~~shall~~ **must** not be more than 1% per month  
9 or fraction ~~thereof~~ **of a month** of the unpaid **excise** tax after the  
10 due date ~~thereof~~ until paid. The penalty for delinquency in payment  
11 of the **excise** tax when due or other violations of the ordinance may  
12 be in addition to the interest but ~~shall~~ **must** not be more than 5%  
13 of the amount of the unpaid **excise** tax per month or fraction  
14 ~~thereof~~ **of a month** after the due date ~~thereof~~ until paid. However,  
15 the penalty ~~shall~~ **must** not exceed 25% of the unpaid **excise** tax.

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

17 (e) The designation of the administrator of the tax and  
18 methods of collection.

19 Sec. 4. A county **or city** levying ~~a~~ **an excise** tax ~~under this~~  
20 ~~act~~ may provide in the ordinance for 1 or more of the following:

21 (a) The adoption and enforcement of rules to apply, interpret,  
22 effectuate, and administer the ordinance and the purposes of the  
23 **excise** tax.

24 (b) The prescribing and furnishing to taxpayers of forms,  
25 instructions, manuals, and other materials necessary for  
26 indorsement of the **excise** tax and the auditing of tax returns.

27 (c) The examination by the administrator or ~~his~~ **the**  
28 **administrator's** agent of the books and records of a taxpayer for  
29 purposes of determining the correctness of a tax return or

1 information filed, or the determination of any tax liability under  
2 this act.

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

6 (e) If the **excise** tax ~~imposed under this act~~ remains unpaid  
7 for more than 90 days, ~~the treasurer of the county~~ **the delinquent**  
8 **excise tax** may ~~collect the tax~~ **be collected** in the same manner as a  
9 delinquent special assessment, along with any associated interest,  
10 fees, and costs, under the general property tax act, 1893 PA 206,  
11 MCL 211.1 to 211.155.

12 Sec. 6. **(1)** The **excise** taxes ~~levied under this act~~ shall be  
13 **are** in addition to any other taxes, charges, or fees.

14 **(2)** The **excise taxes levied by a city are in addition to any**  
15 **excise taxes levied by a county.**

16 **(3)** The **excise taxes levied by a county are in addition to any**  
17 **excise taxes levied by a city.**

18 Sec. 7. The revenues derived from the **excise** taxes ~~imposed~~  
19 ~~pursuant to this act~~ shall **must** be deposited in a special fund to  
20 be used by the county **or city**, or by an authority that is organized  
21 pursuant to state law, together with other available funds only to  
22 pay **for 1 or more of the following:**

23 (a) The cost of administration and enforcement of the  
24 ordinance.

25 (b) The financing of the acquisition, construction,  
26 improvement, enlargement, repair, or maintenance of convention and  
27 entertainment facilities, including, except as provided in  
28 subdivision (e), the payment of principal and interest, when due,  
29 on bonds or other evidence of indebtedness issued by the county **or**

1 **city** for convention and entertainment facilities.

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

8 (d) The promotion and encouragement of tourist and convention  
9 business in the county **or city**.

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

18 (f) **Public safety in the county or city.**