

SENATE BILL NO. 1148

November 26, 2024, Introduced by Senator MCMORROW and referred to the Committee on Economic and Community Development.

A bill to allow qualified municipalities to impose a ticket enhancement fee on the admission charge to an entertainment event in this state; to limit the rate of the ticket enhancement fee; to provide for the establishment of procedures for the collection, administration, distribution, and enforcement of the ticket enhancement fee; to provide for the powers and duties of certain state and local governmental officers and entities; to provide for certain exemptions; to provide for certain remedies, sanctions, and penalties; and to allow the promulgation of rules.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "ticket enhancement fee
2 act".

3 Sec. 3. As used in this act:

4 (a) "Admission charge" means the actual charge, excluding
5 memberships, paid for an individual to attend the entertainment
6 event.

7 (b) "Affiliate" means an affiliated person as that term is
8 defined in section 5a of the use tax act, MCL 205.95a.

9 (c) "Department" means the department of treasury.

10 (d) "Entertainment event" or "event" means 1 or more of the
11 following that is not an exempt event:

12 (i) Zoo.

13 (ii) Live theater.

14 (iii) Museum.

15 (iv) Opera.

16 (v) Professional sporting event.

17 (vi) Concert.

18 (vii) Temporary or transient entertainment production.

19 (viii) Botanical gardens.

20 (ix) Amusement parks.

21 (x) Temporary or transient art, music, theatrical, dance,
22 literary, or cultural festival.

23 (e) "Entertainment provider" means a person that sells
24 admission to an entertainment event.

25 (f) "Exempt event" means an event that is 1 or more of the
26 following:

27 (i) All high school, middle school, and elementary or grade
28 school events.

1 (ii) Events sponsored by a nonprofit or charitable
2 organization.

3 (iii) Collegiate athletic events.

4 (iv) An event held at a venue with a capacity of 500
5 individuals or fewer.

6 (g) "Marketplace entertainment provider" means an
7 entertainment provider that makes retail sales through a physical
8 or electronic marketplace operated by a marketplace facilitator.

9 (h) "Marketplace facilitator" means a person that meets the
10 requirements of subparagraph (i), but does not include a person
11 described in subparagraph (ii):

12 (i) A person is a marketplace facilitator if the person
13 facilitates a retail sale by a marketplace entertainment provider
14 by doing both of the following:

15 (A) Listing or advertising for sale by the marketplace
16 entertainment provider in a marketplace admittance to an
17 entertainment event.

18 (B) Either directly or indirectly through agreements or
19 arrangements with third parties or its affiliates collecting
20 payment from the customer and transmitting that payment to the
21 marketplace entertainment provider for consideration.

22 (ii) Marketplace facilitator does not include a person that
23 operates a platform or forum that provides internet, print,
24 electronic, or any other form of advertising services, including
25 listing admission to an entertainment event for sale, if the person
26 does not also engage directly or indirectly, through 1 or more
27 affiliates, in the activities described in subparagraph (i).

28 (i) "Ordinance" means an ordinance adopted under this act to
29 levy, assess, and collect a ticket enhancement fee.

1 (j) "Qualified municipality" means a city, village, or
2 township.

3 (k) "Ticket enhancement fee" means the ticket enhancement fee
4 levied by a qualified municipality under this act.

5 (l) "Use tax" means the tax imposed under the use tax act.

6 (m) "Use tax act" means the use tax act, 1937 PA 94, MCL
7 205.91 to 205.111.

8 Sec. 5. (1) Subject to subsection (3) and section 7, the
9 governing body of a qualified municipality, by ordinance, may levy,
10 assess, and collect a ticket enhancement fee on the admission
11 charge of each entertainment event held in the qualified
12 municipality.

13 (2) An ordinance may be amended or repealed in the same manner
14 as the ordinance was adopted.

15 (3) The rate of the ticket enhancement fee must not exceed
16 \$3.00 per admission charge. A ticket enhancement fee must not be
17 imposed on an admission charge that is \$30.00 or less.

18 Sec. 7. (1) An ordinance must contain all of the following:

19 (a) Subject to subsection (2), the effective date of the
20 ordinance.

21 (b) Subject to section 5(3), the rate of the ticket
22 enhancement fee to be imposed.

23 (c) A provision that the ticket enhancement fee will be
24 remitted to the department in the same manner as the use tax and
25 will be administered and collected by the department as described
26 in the use tax act and 1941 PA 122, MCL 205.1 to 205.31.

27 (2) An ordinance must not take effect before the first day of
28 the month following the expiration of 60 days after the enactment
29 of the ordinance under section 5(1).

1 Sec. 9. (1) The governing body of a qualified municipality and
2 the state treasurer shall enter into an agreement providing that
3 the ticket enhancement fee will be remitted to the department in
4 the same manner as the use tax and will be administered and
5 collected by the department as described in the use tax act and
6 1941 PA 122, MCL 205.1 to 205.31.

7 (2) The department shall administer and collect the ticket
8 enhancement fee on behalf of the qualified municipality. The ticket
9 enhancement fees, interest, and penalties collected by the
10 department under the agreement described in subsection (1) must be
11 deposited in the state treasury and credited to a restricted
12 account for the benefit of the qualified municipality that imposed
13 the ticket enhancement fee. Not later than 30 days after their due
14 date, the department shall remit the ticket enhancement fees,
15 interest, and penalties to the qualified municipality that imposed
16 the ticket enhancement fee.

17 (3) Any remittance to the qualified municipality by the
18 department after the deadline for remittance described in
19 subsection (2) must include interest earned on the gross
20 collections after the deadline and before transmittal to the
21 qualified municipality, calculated on the basis of the rate of
22 interest accrued for this period on the common cash fund of this
23 state.

24 (4) A qualified municipality that receives a remittance under
25 this section must use the money only for purposes of paying the
26 costs the qualified municipality incurs related to entertainment
27 events held in the qualified municipality.

28 Sec. 11. The ticket enhancement fee levied under this act is
29 in addition to any other taxes, charges, assessments, or fees.

1 Sec. 13. (1) Except as otherwise provided in subsection (2),
2 the entertainment provider shall collect and remit the ticket
3 enhancement fee.

4 (2) If a marketplace facilitator facilitates the sale of
5 admission to an entertainment event, the marketplace facilitator
6 shall collect and remit the ticket enhancement fee.

7 (3) An entertainment provider or marketplace facilitator
8 required to collect and remit a ticket enhancement fee under this
9 act shall register with the department and provide its name,
10 address, and any other information the department requires for the
11 enforcement of this act.

12 Sec. 15. The department may promulgate rules that are
13 necessary for the collection and administration of the ticket
14 enhancement fee under the administrative procedures act of 1969,
15 1969 PA 306, MCL 24.201 to 24.328.