



Senate Fiscal Agency
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House Bill 4816 (Substitute S-1 as reported)
Sponsor: Representative Brandt Iden
House Committee: Commerce and Tourism
Ways and Means
Senate Committee: Economic and Small Business Development

CONTENT

The bill would enact the "Regional Event Center Financing Act" to do the following:

- Allow certain counties that met listed population parameters to establish an event center financing program.
- Require an event center financing program to describe the proposed size, location, cost, and financing structure of the proposed event center.
- Require an event center financing program to specify an assessment to be levied under the program, and prohibit that assessment from exceeding 4% of the room charges in a "transient facility" (hotel).
- Require the clerk of the municipality in which an event center financing program was adopted to mail a program notice by registered or certified mail to each owner of a transient facility located in the municipality.
- Prescribe a referendum and election process through which transient facility owners could vote on approving an event center financing program.
- Prohibit an assessment from becoming effective before January 1, 2020.
- Require an assessment to be paid by the owner of each transient facility to the municipality within 30 days after the end of each calendar month.
- Require independent certified public accountants to verify that assessment payments were made by transient facility owners, and prescribe interest penalties for payments that were not made.
- Require revenue derived from an assessment to be deposited in a special fund to be used by the municipality or an authority organized under State law.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no impact on the State and would have an indeterminate fiscal impact on local governments. Based on the 2010 Census, five counties (Kalamazoo, Ottawa, Ingham, Muskegon, and Washtenaw) would be eligible to create an event center financing program. If the cost of the approved projects, administration, and enforcement were within the amount of revenue collected by assessments, there would be no fiscal impact on a municipality. Any costs that exceeded the revenue collected would be a cost to the municipality or authority created to own and operate the event center.

Date Completed: 3-10-20

Fiscal Analyst: Ryan Bergan