

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4816**

A bill relating to the promotion of regional convention business and tourism in this state and certain regions of this state; to provide for tourism and convention financing and promotion programs in certain areas; to provide for imposition and collection of assessments on the owners of transient facilities to support tourism and convention financing and promotion programs; to provide for the disbursement of the assessments; to establish the oversight functions and duties of certain state departments, state agencies, and state employees; and to prescribe penalties and remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "regional event center financing act".



1 Sec. 2. As used in this act:

2 (a) "Assessment" means the amount levied against an owner of a
3 transient facility within an assessment district computed by
4 application of the applicable percentage against aggregate room
5 charges with respect to that transient facility during the
6 applicable assessment period.

7 (b) "Assessment district" means a municipality or a
8 combination of municipalities as described in an event center
9 financing program.

10 (c) "Assessment revenues" means the money derived from the
11 assessment, including any interest and penalties on the assessment,
12 imposed by this act.

13 (d) "Clerk" means the clerk of the municipality.

14 (e) "Event center" means all or any part, or any combination
15 of convention halls, auditoriums, stadiums, music halls, arenas,
16 meeting rooms, exhibit areas, and related public areas owned by a
17 municipality or related event center authority. An event center
18 does not include any facility owned in whole or in part by any
19 private individual, business, or corporation.

20 (f) "Event center financing program" means a program
21 established by a municipality to plan, develop, design, and
22 construct an event center.

23 (g) "Event center financing program notice" means the notice
24 described in section 3.

25 (h) "Municipality" means 1 of the following:

26 (i) A county having a population of greater than 250,000 and
27 less than 300,000 according to the most recent federal decennial
28 census and that levies an excise tax under 1974 PA 263, MCL 141.861
29 to 141.867.



1 (ii) A county having a population of more than 170,000 and less
2 than 180,000 according to the most recent federal decennial census
3 or a county having a population of more than 300,000 and less than
4 400,000 according to the most recent federal decennial census and
5 that levies an excise tax under 1974 PA 263, MCL 141.861 to
6 141.867.

7 (i) "Owner" means the owner of a transient facility located
8 within the assessment district or, if the transient facility is
9 operated or managed by a person other than the owner, then the
10 operator or manager of that transient facility.

11 (j) "Room" means a room or other space provided for sleeping,
12 including the furnishings and other accessories in the room.

13 (k) "Room charge" means the charge imposed for the use or
14 occupancy of a room, excluding charges for food, beverages, state
15 use tax, telephone service, or like services paid in connection
16 with the charge, and reimbursement of the assessment imposed by
17 this act.

18 (l) "Transient facility" means a building that contains 35 or
19 more rooms used in the business of providing dwelling, lodging, or
20 sleeping to transient guests, whether or not membership is required
21 for the use of the rooms. A transient facility shall not include a
22 hospital or nursing home.

23 (m) "Transient guest" means a natural person who occupies a
24 room in a transient facility for less than 30 consecutive days
25 regardless of who pays the room charge.

26 (n) "Use tax" means the tax imposed under the use tax act,
27 1937 PA 94, MCL 205.91 to 205.111.

28 Sec. 3. (1) A municipality may, by ordinance, establish an
29 event center financing program.



1 (2) The event center financing program shall describe the
2 proposed size, location, cost, and financing structure of the
3 proposed event center.

4 (3) The event center financing program shall specify the
5 amount of the assessment proposed to be levied, which shall not
6 exceed 4% of the room charges in the applicable payment period.

7 (4) Upon adoption of an ordinance establishing an event center
8 financing program, the clerk of the municipality shall cause an
9 event center financing program notice to be mailed by registered or
10 certified mail to each owner of a transient facility located in the
11 municipality. In assembling the list of owners to whom the notices
12 shall be mailed, the clerk shall use any data that are reasonably
13 available to the clerk.

14 (5) The form of the event center financing program notice, in
15 addition to the information required by subsections (1), (2), and
16 (3), shall set forth the right of referendum prescribed in
17 subsection (6).

18 (6) Within 30 days after adoption of an ordinance establishing
19 an event center financing program, the clerk of the municipality
20 shall require a written referendum to be held by mail or in person
21 among all owners of transient facilities in each municipality in
22 the assessment district. For purposes of the referendum, each owner
23 shall have 1 vote for each room in an owner's transient facility.
24 If a majority of votes actually cast at the referendum approve the
25 assessment and the votes actually cast at the referendum represent
26 60% or more of the total rooms in those transient facilities, as
27 proposed by the municipality in its event center financing program
28 notice, the assessment shall become effective as to all owners of
29 transient facilities located in the assessment district on the



1 first day of the month following expiration of 30 days after
2 certification of the results by the clerk that the event center
3 financing program was approved. If a majority of votes actually
4 cast at the referendum are opposed to the assessment **or if less**
5 **than 60% of the total rooms are represented in the votes actually**
6 **cast at the referendum**, the assessment shall not become effective.
7 If the assessment is defeated by the referendum, the municipality
8 may file and serve a new notice of intention if at least 60 days
9 have elapsed from the date of certification of the results of the
10 earlier referendum. Not more than 2 referenda or notices may be
11 held pursuant to this subsection or filed pursuant to this
12 subsection in any 1 calendar year. Only 1 assessment under this act
13 may be in existence in an assessment district, or any part of an
14 assessment district, at any 1 time.

15 (7) The assessment described in this act shall not be
16 effective before January 1, 2020.

17 Sec. 4. (1) Upon the effective date of an assessment, each
18 owner of a transient facility in the assessment district shall be
19 liable for payment of the assessment, computed using the percentage
20 set forth in the event center financing program notice. The
21 assessment shall be paid by the owner of each such transient
22 facility to the municipality within 30 days after the end of each
23 calendar month and shall be accompanied by a statement of room
24 charges imposed with respect to the transient facility for that
25 month. This act shall not prohibit a transient facility from
26 reimbursing itself by adding the assessment imposed pursuant to
27 this act to room charges payable by transient guests, provided that
28 the transient facility discloses that it has done so on any bill
29 presented to a transient guest.



1 (2) Within 30 days after the close of each calendar quarter,
2 each owner within an assessment district shall forward to the
3 independent certified public accountants who audit the financial
4 statements of the municipality copies of its use tax returns for
5 the preceding quarter. These copies of the use tax returns shall be
6 used solely by the certified public accountants to verify and audit
7 the owner's payment of the assessments and shall not be disclosed
8 to the municipality except as necessary to enforce this act.

9 (3) Interest shall be paid by an owner to the municipality on
10 any assessments not paid within the time called for under this act.
11 The interest shall accrue at the rate of 1.5% per month. Owners
12 delinquent for more than 90 days in paying assessments, in addition
13 to the 1.5% interest, shall pay a delinquency charge of 10% per
14 month or fraction of a month on the amount of the delinquent
15 assessments. The municipality may sue in its own name to collect
16 the assessments, interest, and delinquency charges.

17 (4) The owner of a transient facility shall not be liable for
18 payment of an assessment until a notice has been mailed to the
19 transient facility of the owner pursuant to section 3(4).

20 Sec. 5. The revenues derived from the assessment imposed under
21 this act shall be deposited in a special fund to be used by the
22 municipality or by an authority that is organized pursuant to state
23 law only to pay for 1 or more of the following:

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

26 (b) The financing of the acquisition, construction,
27 improvement, enlargement, repair, or maintenance of convention and
28 entertainment facilities, including the payment of principal and
29 interest, when due, on bonds or other evidence of indebtedness



1 issued by the municipality for an event center.

2 (c) Current or future annual rental payable by the
3 municipality to an authority organized pursuant to state law for
4 the purpose of acquiring, constructing, improving, enlarging,
5 repairing, or maintaining the convention and entertainment
6 facilities and leasing them to the municipality.