



**House
Legislative
Analysis
Section**

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HOTEL-MOTEL TAX

House Bill 5960

Sponsor: Rep. Walter DeLange

Committee: Tourism and Recreation

Complete to 11-14-96

A SUMMARY OF HOUSE BILL 5960 AS INTRODUCED 6-7-96

The Community Convention or Tourism Marketing Act, generally speaking, allows a convention and tourist bureau in a county with a population of under 650,000 or in a city, village, or township in such a county to form a marketing organization and levy an assessment of up to two percent on hotel and motel room charges. An assessment can only be levied with the majority approval of hotel and motel owners in a municipality in a referendum conducted on a one-room-one-vote basis. To form a marketing program and assessment district, a convention or tourist bureau must first file a marketing program notice with the director of the Department of Consumer and Industry Services (formerly the Department of Commerce) and receive the director's approval. Under the act, a municipality or part of a municipality cannot be included in the notice and assessment district if the county in which it is located is collecting a room tax under another statute, Public Act 263 of 1974. Public Act 263 is available to any county with a population of under 600,000 that contains a city of 40,000 or more. House Bill 5960 would remove that provision. The bill would also remove a provision that says a municipality included in the marketing program notice would not be subject to an excise tax under Public Act 263 or another tax based on a room charge if no such tax was being collected on the date of the mailing of the marketing program notice. (A copy of the notice must be mailed to hotel and motel owners simultaneously with the filing of the program notice with the state.) Further, the act also contains a provision added in 1991 to cover a case in which a city wanted to switch from paying an assessment under Public Act 263 to an assessment under the Community Convention or Tourism Marketing Act as of October 1991. That provision also would be deleted.

MCL 141.873

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