



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

House Bill 5545 (as passed by the House)  
Sponsor: Representative Dave Hildenbrand  
House Committee: Tax Policy

### **CONTENT**

The bill would amend the State Convention Facility Development Act to increase the minimum population of a county in which an accommodations tax is collected. Currently, the tax applies to a hotel with more than 80 rooms that is located in a county with a population of 600,000 or more according to the most recent decennial census. The bill would increase the minimum population to 750,000.

(The accommodations tax ranges from 1.5% to 6% of the room charge, depending on the total number of rooms in a hotel and the county in which it is located. In addition to having a population of 600,000 or more, a county must have a convention facility with at least 350,000 square feet of exhibit space, and 2,000 or more rooms to provide accommodations for transient guests. The tax presently is collected in Wayne, Oakland, and Macomb Counties.)

MCL 207.623

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

Currently, the bill would not have a fiscal impact on State or local revenue or expenditure. As a result of the proposed increase in the population requirement, any county that reported population of 600,000 or more for the first time under the 2010 Federal decennial census would not be required to levy the tax until the population exceeded 750,000. Given demographic trends, Kent County, which had a population of 574,335 under the 2000 Census, would likely be the only county affected by the bill.

Date Completed: 12-11-06

Fiscal Analyst: David Zin