

**SUBSTITUTE FOR
HOUSE BILL NO. 5017**

A bill to impose a state assessment on persons engaged in the business of leasing or renting a motor vehicle; to provide for the levy, collection, and administration of the state assessment; to provide for the disposition of the proceeds of the state assessment; to prescribe the powers and duties of certain state departments and certain public entities; and to provide for certain exemptions.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan promotion assessment act".

3 Sec. 2. As used in this act:

4 (a) "Assessable transaction" means the lease or rental of a
5 motor vehicle designed for 8 or fewer passengers, regardless of

1 whether the vehicle is licensed in this state, for a period of less
2 than 31 days that commences at 1 of the following:

3 (i) A hotel, motel, or inn.

4 (ii) A commercial airport or at a location within 2.5 miles of
5 a commercial airport.

6 (iii) An other transportation facility.

7 (iv) A convention facility.

8 (b) "Commercial airport" means an airport within this state
9 that has regularly scheduled commercial flights.

10 (c) "Convention facility" means a facility designed for
11 holding conventions, meetings, exhibits, trade shows, and similar
12 events.

13 (d) "Michigan promotion fund" means the Michigan promotion
14 fund described in section 39 of the Michigan strategic fund act,
15 1984 PA 270, MCL 125.2039.

16 (e) "Motor vehicle" means a motor vehicle that is or would be
17 subject to registration and certificate of title under section 216
18 of the Michigan vehicle code, 1949 PA 300, MCL 257.216, that is
19 designed and intended to be used primarily in the transportation of
20 passengers. Motor vehicle does not include a road tractor, school
21 bus, special mobile equipment, tank vehicle, truck tractor,
22 implement of husbandry, or farm tractor as those terms are defined
23 by the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

24 (f) "Other transportation facility" means a passenger train
25 station, motor bus terminal, or harbor.

26 (g) "Person" means an individual, partnership, corporation,
27 association, limited liability company, or other legal entity.

1 Sec. 3. Except as otherwise provided in this section or in
2 section 7 or 8, beginning with assessable transactions that begin
3 after September 30, 2010 and through September 30, 2015, there is
4 imposed on persons engaged in the rental or lease of motor vehicles
5 an assessment of \$2.50 for each day or portion of a day of each
6 assessable transaction.

7 Sec. 4. (1) An assessment under this act shall be collected at
8 the same time and in the same manner as the tax imposed under the
9 use tax act, 1937 PA 94, MCL 205.91 to 205.111, and the general
10 sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

11 (2) The assessment imposed by this act shall be administered
12 by the department of treasury under 1941 PA 122, MCL 205.1 to
13 205.31.

14 Sec. 5. (1) The assessment provided for under this act is a
15 tax that is levied on a person engaged in the business of rental or
16 lease of motor vehicles.

17 (2) A taxpayer may reimburse himself or herself by adding the
18 amount of the assessment to the rental transaction.

19 Sec. 6. The proceeds from the collection of the assessment
20 imposed under this act, less the costs of collection by the
21 department, shall first be used to repay any surplus funds loaned
22 to the Michigan strategic fund pursuant to section 2g of 1855 PA
23 105, MCL 21.142g. Any remaining balance shall be deposited with the
24 state treasurer and credited to the Michigan promotion fund.
25 However, if the balance in the Michigan promotion fund at the end
26 of any fiscal year exceeds \$40,000,000.00, adjusted annually for
27 the rate of inflation, beginning with the first fiscal year after

House Bill No. 5017 (H-4) as amended March 18, 2010

1 that balance reaches \$40,000,000.00, additional collections from
2 the assessment under this act for the succeeding fiscal year shall
3 be deposited in the general fund.

4 Sec. 7. If all surplus funds loaned to the Michigan strategic
5 fund pursuant to section 2g of 1855 PA 105, MCL 21.142g, have been
6 repaid, beginning in the fiscal year immediately succeeding a
7 fiscal year in which the Michigan promotion fund has a year-end
8 balance that exceeds \$40,000,000.00, adjusted annually for
9 inflation, the assessment imposed under section 3 shall be reduced
10 by 50 cents each fiscal year. If all surplus funds loaned to the
11 Michigan strategic fund pursuant to section 2g of 1855 PA 105, MCL
12 21.142g, have been repaid, beginning in the fiscal year immediately
13 succeeding 2 consecutive fiscal years in which the Michigan
14 promotion fund has a year-end balance that exceeds \$40,000,000.00,
15 adjusted annually for inflation, the department of treasury shall
16 cease imposing and collecting the assessment described in section
17 3.

18 Sec. 8. This act does not apply to the lease or rental of a
19 motor vehicle provided to or obtained by a person as a temporary
20 replacement for that person's motor vehicle during the period of
21 time that the person's motor vehicle is being repaired, adjusted,
22 serviced, or replaced.

23 Enacting section 1. This act does not take effect unless all
24 of the following bills of the 95th Legislature are enacted into
25 law:

26 [(a) House Bill No. 4549.

 (b) House Bill No. 4553.

 (c)] House Bill No. 5018.

27 [(d)] House Bill No. 5088.

1 House Bill No. 5017 (H-4) as amended March 18, 2010
[(e)] House Bill No. 5909.