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Senate Bill 611 (as introduced 10-9-13)  
Sponsor: Senator Mike Kowall  
Committee: Economic Development

*(Senate-passed version)*

Date Completed: 10-22-13

### **CONTENT**

**The bill would amend the Community Convention or Tourism Marketing Act to require the payment of attorney fees and court costs incurred in collecting delinquent assessments; and provide that assessments collected by an owner but not paid to a bureau would be considered trust funds and would have to be remitted to the bureau.**

The Act authorizes a nonprofit convention and tourism bureau to establish a marketing program funded by an assessment collected from owners of transient facilities (such as hotels and motels) within an assessment district. An assessment district may consist of one or more municipalities described in the marketing program. ("Municipality" means a county with a population of less than 650,000, and a city, village, or township within a county of that size.) The maximum assessment allowed is 5% of room charges, and assessments must be paid within 30 days after the end of each month.

The Act requires an owner to pay interest at a rate of 1.5% per month on any assessments not paid on time. In addition, an owner who is delinquent for more than 90 days must pay a delinquency charge of 1.5% per month or fraction of a month on the amount of the delinquent assessments.

The bill would require the owner also to pay the costs of reasonable attorney fees and court costs incurred in collecting the delinquent assessments.

The bill specifies that all assessments owed to a bureau by an owner of a transient facility within an assessment district would have to be considered trust funds and remitted to the bureau as required by the Act.

MCL 141.875

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.