

HOUSE BILL NO. 4931

August 23, 2023, Introduced by Rep. Skaggs and referred to the Committee on Tax Policy.

A bill to amend 1974 PA 263, entitled

"An act to permit counties to impose and collect an excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; to provide for the disposition of the revenues thereof; and to prescribe penalties,"

by amending sections 1, 2, 3, 4, 6, and 7 (MCL 141.861, 141.862, 141.863, 141.864, 141.866, and 141.867), section 2 as amended by 2004 PA 118, section 4 as amended by 2014 PA 284, and section 7 as amended by 1989 PA 13, and by adding section 2b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

1 (a) "Accommodations" means the room or other space provided
 2 for sleeping, including furnishings and other accessories ~~therein.~~
 3 **in the room or other space.** Accommodations do not include food and
 4 beverages.

5 (b) "Administrator" means the official designated by the
 6 county to collect the **excise** tax and to administer and enforce the
 7 ordinance.

8 (c) "Convention and entertainment facilities" means all, ~~or~~
 9 any part, or any combination of convention halls, auditoriums,
 10 stadiums, music halls, arenas, **aquariums**, meeting rooms, exhibit
 11 areas, and related public areas.

12 (d) "**Excise tax**" means the **excise tax levied by a county under**
 13 **this act.**

14 (e) "**Ordinance**" means an ordinance enacted by a county under
 15 **this act to levy, assess, and collect an excise tax.**

16 (f) ~~(d)~~—"Person" means a natural person, partnership,
 17 fiduciary, association, corporation, or other entity.

18 (g) ~~(e)~~—"Revenues" means the income derived from the **excise**
 19 tax, plus interest and penalties imposed by this act, levied and
 20 assessed under an ordinance adopted pursuant to this act.

21 (h) ~~(f)~~—"Transient guest" means a natural person staying less
 22 than 30 consecutive days.

23 Sec. 2. (1) The county board of commissioners of a county
 24 ~~having that has~~ a population of less than ~~600,000 persons,~~ **785,000**
 25 and ~~having that has~~ a city **with a population** of ~~at least 40,000~~
 26 ~~population not less than 35,000, according to the most recent~~
 27 **federal decennial census**, may enact an ordinance to levy, assess,
 28 and collect an excise tax from all persons engaged in the business
 29 of providing rooms for dwelling, lodging, or sleeping purposes,

1 except in hospitals or nursing homes, to transient guests, whether
2 or not membership is required for the use of the accommodations.

3 (2) If a county meets the requirements of subsection (1) on
4 the date it enacts an ordinance under this act and, after the 1990
5 decennial census, the county has a population of less than 120,000
6 ~~persons~~ and has a city with a population of 35,000 or more,
7 ~~persons,~~ that county may continue to levy, assess, and collect the
8 excise tax ~~under this act~~ until October 1, 1991.

9 (3) If a county described in subsection (2) has any
10 accommodations located within the county that are also located
11 within the boundaries of a city in which the majority of the
12 population of that city reside in an adjoining county, then the
13 accommodation is exempt from the **excise** tax ~~under this act.~~**levied**
14 **by the county.**

15 (4) If a county described in subsection (2) has any
16 accommodations located within the county that are also located
17 within the boundaries of a city with a population of less than
18 5,000 persons, then the accommodation is exempt from **the excise** tax
19 ~~under this act.~~**levied by the county.**

20 (5) ~~The An~~ ordinance ~~provided by this act~~ may be amended or
21 repealed in the same manner as it was adopted.

22 (6) The **excise** tax imposed ~~pursuant to this act~~ shall **by a**
23 **county must** be at a rate of not more than ~~5%~~**10%** of the total
24 charge for accommodations subject to this act.

25 (7) If a county meets the requirements of subsection (1) on
26 the date it enacts an ordinance, ~~under this act,~~ the county may
27 continue to levy, assess, and collect the excise tax. ~~under this~~
28 ~~act.~~

29 **Sec. 2b. A county shall not levy a new or increased excise tax**

1 unless a majority of the qualified electors of that county voting
 2 on the question approve the levy of the new or increased excise tax
 3 in compliance with section 31 of article IX of the state
 4 constitution of 1963.

5 Sec. 3. A county levying a ~~an excise~~ tax pursuant to an
 6 ordinance adopted under this act shall provide in the ordinance for
 7 all of the following:

8 (a) The effective date of the ordinance, which ~~shall be in~~
 9 ~~accordance~~ **must comply** with section 5.

10 (b) The rate of the **excise** tax to be imposed.

11 (c) The rate and manner of the imposition of interest and
 12 penalties for delinquency in payment of **excise** taxes or other
 13 violations of the ordinance. The interest imposed on delinquency in
 14 payment of the **excise** tax ~~shall~~ **must** not be more than 1% per month
 15 or fraction thereof ~~of a month~~ of the unpaid **excise** tax after the
 16 due date thereof until paid. The penalty for delinquency in payment
 17 of the **excise** tax when due or other violations of the ordinance may
 18 be in addition to the interest but ~~shall~~ **must** not be more than 5%
 19 of the amount of the unpaid **excise** tax per month or fraction
 20 thereof ~~of a month~~ after the due date thereof until paid. However,
 21 the penalty ~~shall~~ **must** not exceed 25% of the unpaid **excise** tax.

22 (d) The determination and allowance of abatements and refunds.

23 (e) The designation of the administrator of the **excise** tax and
 24 methods of collection.

25 Sec. 4. A county levying a ~~an excise~~ tax under this act may
 26 provide in the ordinance for 1 or more of the following:

27 (a) The adoption and enforcement of rules to apply, interpret,
 28 effectuate, and administer the ordinance and the purposes of the
 29 **excise** tax.

1 (b) The prescribing and furnishing to taxpayers of forms,
 2 instructions, manuals, and other materials necessary for
 3 indorsement of the **excise** tax and the auditing of tax returns.

4 (c) The examination by the administrator or ~~his~~**the**
 5 **administrator's** agent of the books and records of a taxpayer for
 6 purposes of determining the correctness of a tax return or
 7 information filed, or the determination of any tax liability under
 8 this act.

9 (d) The imposition of a fine of not more than \$500.00, or
 10 imprisonment of not more than 90 days, or both for violation of the
 11 ordinance.

12 (e) If the **excise** tax ~~imposed under this act~~ remains unpaid
 13 for more than 90 days, the treasurer of the county may collect the
 14 **excise** tax in the same manner as a delinquent special assessment,
 15 along with any associated interest, fees, and costs, under the
 16 general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

17 Sec. 6. The **excise** taxes ~~levied under this act shall be~~**are** in
 18 addition to any other taxes, charges, or fees.

19 Sec. 7. The revenues derived from the **excise** taxes ~~imposed~~
 20 ~~pursuant to this act shall~~**must** be deposited in a special fund to
 21 be used by the county, or by an authority that is organized
 22 pursuant to state law, together with other available funds only to
 23 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, except as provided in
 29 subdivision (e), the payment of principal and interest, when due,

1 on bonds or other evidence of indebtedness issued by the county for
2 convention and entertainment facilities.

3 (c) Except as provided in subdivision (e), current or future
4 annual rental payable by the county to an authority organized
5 pursuant to state law for the purpose of acquiring, constructing,
6 improving, enlarging, repairing, or maintaining the convention and
7 entertainment facilities and leasing them to the county.

8 (d) The promotion and encouragement of tourist and convention
9 business in the county.

10 (e) The principal and interest, when due, on bonds or other
11 evidence of indebtedness issued by or on behalf of the county for
12 the purpose of financing the construction of a museum, or the
13 current or future rental payable by the county to an authority
14 organized pursuant to state law for the purpose of constructing a
15 museum and leasing it to the county, only if the museum is located
16 in a city with a population of 180,000 or more.