

HOUSE BILL NO. 5444

February 13, 2024, Introduced by Reps. Paiz, Brixie, Arbit, McKinney, Hill, Byrnes, Rheingans, Scott, Dievendorf, Grant, O'Neal, Neeley, Brabec, Conlin, Morgan, Wilson, Hope, Tyrone Carter, Price, Wegela and Aiyash and referred to the Committee on Regulatory Reform.

A bill to amend 2020 PA 340, entitled
"Regional event center financing act,"
by amending the title and sections 2, 3, and 5 (MCL 141.1442,
141.1443, and 141.1445).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE
2 An act relating to the promotion of regional convention
3 business and tourism in this state and certain regions of this
4 state; to provide for tourism and convention financing and

1 promotion programs in certain areas; **to allow certain activities as**
2 **part of tourism or convention marketing programs;** to provide for
3 imposition and collection of assessments on the owners of transient
4 facilities, **including short-term rentals,** to support tourism and
5 convention financing and promotion programs; to provide for the
6 disbursement of the assessments; to establish the oversight
7 functions and duties of certain state departments, state agencies,
8 and state employees; and to prescribe penalties and remedies.

9 Sec. 2. As used in this act:

10 (a) "Assessment" means the amount levied against an owner of a
11 transient facility within an assessment district computed by
12 application of the applicable percentage against aggregate room
13 charges with respect to that transient facility during the
14 applicable assessment period.

15 (b) "Assessment district" means a municipality or a
16 combination of municipalities as described in an event center
17 financing program.

18 (c) "Assessment revenues" means the money derived from the
19 assessment, including any interest and penalties on the assessment,
20 imposed by this act.

21 (d) "Clerk" means the clerk of the municipality.

22 (e) "Event center" means all or any part, or any combination
23 of convention halls, auditoriums, stadiums, music halls, arenas,
24 meeting rooms, exhibit areas, and related public areas owned by a
25 municipality or related event center authority. An event center
26 does not include any facility owned in whole or in part by any
27 private individual, business, or corporation.

28 (f) "Event center financing program" means a program
29 established by a municipality to plan, develop, design, and

1 construct an event center.

2 (g) "Event center financing program notice" means the notice
3 described in section 3.

4 (h) "Municipality" means 1 of the following:

5 (i) A county having a population of greater than 250,000 and
6 less than 300,000 according to the most recent federal decennial
7 census and that levies an excise tax under 1974 PA 263, MCL 141.861
8 to 141.867.

9 (ii) A county having a population of more than 170,000 and less
10 than 180,000 according to the most recent federal decennial census
11 or a county having a population of more than 300,000 and less than
12 400,000 according to the most recent federal decennial census and
13 that levies an excise tax under 1974 PA 263, MCL 141.861 to
14 141.867.

15 (i) "Owner" means the owner of a transient facility located
16 within the assessment district or, if the transient facility is
17 operated or managed by a person other than the owner, then the
18 operator or manager of that transient facility.

19 (j) "Room" means a room or other space provided for sleeping,
20 including the furnishings and other accessories in the room. **Room**
21 **includes, but is not limited to, a dwelling offered as a short-term**
22 **rental.**

23 (k) "Room charge" means the charge imposed for the use or
24 occupancy of a room, excluding charges for food, beverages, state
25 use tax, telephone service, or like services paid in connection
26 with the charge, and reimbursement of the assessment imposed by
27 this act. **For a short-term rental, room charge means the occupancy**
28 **charge as that term is defined in section 2 of the short-term**
29 **rental regulation act.**

1 (l) "Short-term rental" means that term as defined in section 2
2 of the short-term rental regulation act.

3 (m) ~~(l)~~ "Transient facility" means either of the following
4 facilities, except transient facility does not include a hospital
5 or nursing home:

6 (i) A building that contains ~~35-1~~ or more rooms used in the
7 business of providing dwelling, lodging, or sleeping to transient
8 guests, whether or not membership is required for the use of the
9 rooms. ~~A transient facility shall not include a hospital or nursing~~
10 ~~home.~~

11 (ii) A dwelling offered as a short-term rental.

12 (n) ~~(m)~~ "Transient guest" means a natural person who occupies
13 a room in a transient facility for less than 30 consecutive days
14 regardless of who pays the room charge.

15 (o) ~~(n)~~ "Use tax" or "state use tax" means the tax imposed
16 under the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

17 Sec. 3. (1) A municipality may, by ordinance, establish an
18 event center financing program.

19 (2) The event center financing program ~~shall~~**must** describe the
20 proposed size, location, cost, and financing structure of the
21 proposed event center.

22 (3) The event center financing program ~~shall~~**must** specify the
23 amount of the assessment proposed to be levied, which ~~shall~~**must**
24 not exceed 4% of the room charges in the applicable payment period.

25 (4) ~~Upon~~**On** adoption of an ordinance establishing an event
26 center financing program, the clerk of the municipality shall cause
27 an event center financing program notice to be mailed by registered
28 or certified mail to each owner of a transient facility located in
29 the municipality. In assembling the list of owners to whom the

1 notices ~~shall~~**must** be mailed, the clerk shall use any data that ~~are~~
2 **is** reasonably available to the clerk, **including, but not limited**
3 **to, the short-term rental database as that term is defined in**
4 **section 2 of the short-term rental regulation act.**

5 (5) The form of the event center financing program notice, in
6 addition to the information required by subsections (1), (2), and
7 (3), ~~shall~~**must** set forth the right of referendum prescribed in
8 subsection (6).

9 (6) Within 30 days after adoption of an ordinance establishing
10 an event center financing program, the clerk of the municipality
11 shall require a written referendum to be held by mail or in person
12 among all owners of transient facilities in each municipality in
13 the assessment district. For purposes of the referendum, each owner
14 ~~shall have~~**has** 1 vote for each room in an owner's transient
15 facility. If a majority of votes actually cast at the referendum
16 approve the assessment and the votes actually cast at the
17 referendum represent 60% or more of the total rooms in those
18 transient facilities, as proposed by the municipality in its event
19 center financing program notice, the assessment ~~shall become~~
20 **becomes** effective as to all owners of transient facilities located
21 in the assessment district on the first day of the month following
22 expiration of 30 days after certification of the results by the
23 clerk that the event center financing program was approved. If a
24 majority of votes actually cast at the referendum are opposed to
25 the assessment or if less than 60% of the total rooms are
26 represented in the votes actually cast at the referendum, the
27 assessment ~~shall~~**does** not become effective. If the assessment is
28 defeated by the referendum, the municipality may file and serve a
29 new notice of intention if at least 60 days have elapsed from the

1 date of certification of the results of the earlier referendum. Not
 2 more than 2 referenda or notices may be held ~~pursuant to~~ **or filed**
 3 **under** this subsection ~~or filed pursuant to this subsection~~ in any 1
 4 calendar year. Only 1 assessment under this act may be in existence
 5 in an assessment district, or any part of an assessment district,
 6 at any 1 time. **For purposes of this subsection, a dwelling offered**
 7 **as a short-term rental is considered 1 room.**

8 (7) The assessment described in this act ~~shall~~ **is** not be
 9 effective before January 1, 2020.

10 Sec. 5. The revenues derived from the assessment imposed under
 11 this act shall be deposited in a special fund to be used by the
 12 municipality or by an authority that is organized pursuant to state
 13 law only to pay for 1 or more of the following:

14 (a) The cost of administration and enforcement of the
 15 ordinance.

16 (b) The financing of the acquisition, construction,
 17 improvement, enlargement, repair, or maintenance of convention and
 18 entertainment facilities, including the payment of principal and
 19 interest, when due, on bonds or other evidence of indebtedness
 20 issued by the municipality for an event center.

21 (c) Current or future annual rental payable by the
 22 municipality to an authority organized pursuant to state law for
 23 the purpose of acquiring, constructing, improving, enlarging,
 24 repairing, or maintaining the convention and entertainment
 25 facilities and leasing them to the municipality.

26 **(d) Programs to assist with or provide child care.**

27 **(e) Housing activities.**

28 Enacting section 1. This amendatory act does not take effect
 29 unless Senate Bill No. ____ or House Bill No. 5438 (request no.

1 03372'23 **) of the 102nd Legislature is enacted into law.