

# HOUSE BILL No. 5017

May 28, 2009, Introduced by Reps. Stanley, Hammel, Bennett, Gregory, Gonzales, Spade, McDowell, Terry Brown, Haveman, Sheltroun, Liss, Espinoza, Lahti, Slezak and Robert Jones and referred to the Committee on Tourism, Outdoor Recreation and Natural Resources.

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 5.0 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, 2009 and through September 30, 2014, 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 shall be deposited with the state treasurer  
21 and credited to the Michigan promotion fund. However, if the  
22 balance in the Michigan promotion fund at the end of any fiscal  
23 year exceeds \$40,000,000.00, adjusted annually for the rate of  
24 inflation, beginning with the first fiscal year after that balance  
25 reaches \$40,000,000.00, additional collections from the assessment  
26 under this act for the succeeding fiscal year shall be deposited in  
27 the general fund.

1           Sec. 7. Beginning in the fiscal year immediately succeeding a  
2 fiscal year in which the Michigan promotion fund has a year-end  
3 balance that exceeds \$40,000,000.00, adjusted annually for  
4 inflation, the assessment imposed under section 3 shall be reduced  
5 by 50 cents each fiscal year. Beginning in the fiscal year  
6 immediately succeeding 2 consecutive fiscal years in which the  
7 Michigan promotion fund has a year-end balance that exceeds  
8 \$40,000,000.00, adjusted annually for inflation, the department of  
9 treasury shall cease imposing and collecting the assessment  
10 described in section 3.

11           Sec. 8. This act does not apply to a motor vehicle provided at  
12 no charge to a person whose motor vehicle is being repaired,  
13 adjusted, or serviced by the entity providing the replacement motor  
14 vehicle.

15           Sec. 9. This act does not apply to a motor vehicle provided to  
16 a person whose motor vehicle is being repaired, adjusted, replaced,  
17 or serviced, and who submits an insurance claim, accident report,  
18 or written estimate from a motor vehicle repair facility dated  
19 within 7 days of the lease or rental of a motor vehicle.

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

23           (a) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
24 03089'09).

25           (b) Senate Bill No.\_\_\_\_ or House Bill No. 5018(request no.  
26 03155'09 \*).

27           (c) Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.

1 03196'09).