

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1515

A bill to amend 1980 PA 395, entitled
"Community convention or tourism marketing act,"
by amending sections 3 and 6 (MCL 141.873 and 141.876), section 3
as amended by 1996 PA 589.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) A bureau that intends to establish a marketing
2 program and assessment district shall file a marketing program
3 notice with the director. The marketing program notice shall state
4 that the bureau proposes to create a marketing program under this
5 act and cause an assessment to be collected from owners of
6 transient facilities within the assessment district to pay the
7 costs of the marketing program.

8 (2) The marketing program notice shall describe the structure,
9 membership, and activities of the bureau.

1 (3) The marketing program notice shall describe the marketing
2 program to be implemented by the bureau with the assessment
3 revenues, specify the amount of the assessment proposed to be
4 levied, which, except as provided in this subsection, shall not
5 exceed ~~2%~~5% of the room charges in the applicable payment period,
6 and describe the municipalities comprising the assessment district.
7 ~~A bureau described in subsection (8) may impose an assessment of 4%~~
8 ~~if the assessment and marketing program are approved by a majority~~
9 ~~of the transient facilities located within a township described in~~
10 ~~subsection (8) at a written referendum held by the director~~
11 ~~pursuant to section 3a by mail or in person for the purpose of~~
12 ~~which each owner shall have 1 vote for each room in an owner's~~
13 ~~transient facility.~~

14 (4) Except as provided in section 10, an area shall not be
15 included in the marketing program notice filed under this act and
16 the assessment district specified in the notice if the area is part
17 of an existing assessment district under this act for which a
18 marketing program is in effect.

19 (5) If on the date of the mailing of the marketing program
20 notice under this act an excise tax or other tax based on a room
21 charge is not being collected, a municipality included in the
22 marketing program notice shall not be subject to the collection of
23 an excise tax imposed under ~~Act No. 263 of the Public Acts of 1974,~~
24 ~~being sections 141.861 to 141.867 of the Michigan Compiled Laws~~
25 **1974 PA 263, MCL 141.861 TO 141.867**, or another tax based on a room
26 charge.

27 (6) If a part of a municipality is subject to an assessment

1 under the convention and tourism marketing act, ~~Act No. 383 of the~~
2 ~~Public Acts of 1980, being sections 141.881 to 141.889 of the~~
3 ~~Michigan Compiled Laws 1980 PA 383, MCL 141.881 TO 141.889~~, that
4 part of the municipality shall not be included in a marketing
5 program notice or assessment district under this act.

6 (7) Simultaneously with the filing of the marketing program
7 notice with the director, the bureau shall mail a copy of the
8 notice, by registered or certified mail, to each owner of a
9 transient facility located in the assessment district specified in
10 the notice, in care of the respective transient facility. In
11 assembling the list of owners to whom the notices shall be mailed,
12 the bureau shall use any data that is reasonably available to the
13 bureau.

14 ~~—— (8) A bureau that is located within a township that is a~~
15 ~~municipality and, except for the assessment made under this~~
16 ~~subsection, that does not assess a room charge on the owners of a~~
17 ~~transient facility may impose an assessment of 4% if it meets all~~
18 ~~of the following:~~

19 ~~—— (a) The assessment district is a township that is contiguous~~
20 ~~to a county that levies an excise tax of 5% under Act No. 263 of~~
21 ~~the Public Acts of 1974.~~

22 ~~—— (b) The owners representing not less than 80% of the rooms in~~
23 ~~the assessment district are members of a nonprofit organization~~
24 ~~formed to promote convention business or tourism that receives~~
25 ~~funding from a tax levied under Act No. 263 of the Public Acts of~~
26 ~~1974, in the contiguous county.~~

27 ~~—— (c) The bureau contracts with the nonprofit organization~~

1 ~~formed to promote convention business or tourism that receives~~
2 ~~funding from a tax levied under Act No. 263 of the Public Acts of~~
3 ~~1974, in the contiguous county to promote convention business or~~
4 ~~tourism and pays that nonprofit organization all of the assessment~~
5 ~~revenues collected under this act for the promotion of convention~~
6 ~~business or tourism.~~

7 ~~—— (d) The owners representing not less than 80% of the rooms in~~
8 ~~the assessment district voluntarily contributed during the~~
9 ~~nonprofit organization's preceding fiscal year to the nonprofit~~
10 ~~organization formed to promote convention business or tourism that~~
11 ~~receives funding from a tax levied under Act No. 263 of the Public~~
12 ~~Acts of 1974, in the contiguous county, an amount equivalent to the~~
13 ~~2% assessment permitted under this act for the promotion of~~
14 ~~convention business or tourism.~~

15 Sec. 6. (1) The assessment revenues collected pursuant to this
16 act shall not be state funds. The money shall be deposited in a
17 bank or other depository in this state, in the name of the bureau,
18 and shall be disbursed only for the expenses properly incurred by
19 the bureau with respect to the marketing programs developed by the
20 bureau under this act.

21 (2) The financial statements of the bureau shall be audited at
22 least annually by a certified public accountant. A copy of the
23 audited financial statements shall be mailed to each owner not more
24 than 150 days after the close of the bureau's fiscal year. The
25 financial statements shall include a statement of all assessment
26 revenues received by the bureau during the fiscal year in question
27 **AND INCLUDE THE AMOUNT OF COMPENSATION FOR THE CHIEF EXECUTIVE**

1 DIRECTOR OF THE BUREAU and shall be accompanied by a detailed
2 report, certified as correct by the chief operating officer of the
3 bureau, describing the marketing programs implemented or, to the
4 extent then known, to be implemented by the bureau.

5 (3) Copies of the audited financial statements and the
6 certified report shall simultaneously be mailed to the director,
7 WHO SHALL MAKE IT AVAILABLE TO THE PUBLIC ON THE INTERNET. IF THE
8 BUREAU FAILS TO SUBMIT COPIES OF THE AUDITED FINANCIAL STATEMENTS
9 AND THE CERTIFIED REPORT TO THE DIRECTOR AS PROVIDED IN THIS
10 SUBSECTION, THE DIRECTOR OR HIS OR HER DESIGNEE SHALL MAIL A DEMAND
11 LETTER TO THE BUREAU REQUESTING COPIES OF THE AUDITED FINANCIAL
12 STATEMENTS AND THE CERTIFIED REPORT WITH A COPY OF THAT DEMAND
13 LETTER FORWARDED TO THE ATTORNEY GENERAL. IF THE DIRECTOR OR HIS OR
14 HER DESIGNEE DOES NOT RECEIVE COPIES OF THE AUDITED FINANCIAL
15 STATEMENT AND THE CERTIFIED REPORT DESCRIBED IN THIS SUBSECTION
16 WITHIN 90 DAYS OF THE DEMAND LETTER, UPON NOTICE BY THE DIRECTOR OR
17 THE ATTORNEY GENERAL, FOR THE PERIOD OF NONCOMPLIANCE WITH THIS
18 SUBSECTION, THE BUREAU SHALL NOT EXPEND ANY PORTION OF THE
19 ASSESSMENT COLLECTED DURING THE PERIOD OF NONCOMPLIANCE WITH THIS
20 SUBSECTION. THE ATTORNEY GENERAL MAY ASSIST THE DIRECTOR IN
21 ENFORCING THE PROVISIONS OF THIS ACT.

22 (4) IF THE BUREAU FAILS TO PROVIDE THE COPIES OF THE AUDITED
23 FINANCIAL STATEMENT AND THE CERTIFIED REPORT WITHIN 90 DAYS OF THE
24 DEMAND LETTER AS PROVIDED IN SUBSECTION (3), THE BUREAU IS
25 RESPONSIBLE FOR A STATE CIVIL INFRACTION AND MAY BE ORDERED TO PAY
26 A CIVIL FINE OF NOT MORE THAN \$10,000.00 AND, IN ADDITION, THE
27 ATTORNEY GENERAL MAY BRING ACTION TO DISSOLVE THE BUREAU AS

1 PROVIDED BY LAW.