

HOUSE BILL NO. 6161

September 02, 2020, Introduced by Reps. Wendzel and Marino and referred to the Committee on Government Operations.

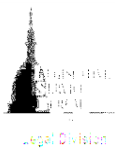
A bill to permit local units of government to impose and collect an excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; to provide for the disposition of the proceeds of the excise tax; and to prescribe penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "local
2 government accommodations excise tax act".

3 Sec. 2. As used in this act:

4 (a) "Accommodations" means the room or other space provided to



1 transient guests for dwelling, lodging, or sleeping purposes,
2 including furnishings and other accessories in the room or other
3 space. Accommodations also include the short-term rental of short-
4 term transient facilities. Accommodations do not include food and
5 beverages.

6 (b) "Administrator" means the official designated by the local
7 unit of government to collect the tax and to administer and enforce
8 the ordinance.

9 (c) "Governing body" means 1 or more of the following:

10 (i) The council, commission, or other entity vested with the
11 legislative power of a city or village.

12 (ii) The township board of a township or charter township.

13 (iii) The county board of commissioners of a county.

14 (d) "Local unit of government" or "local unit" means a city,
15 village, township, charter township, or county.

16 (e) "Person" means a natural person, partnership, fiduciary,
17 association, corporation, or other entity.

18 (f) "Public recreation facility" means parks, beaches,
19 parkways, wheel ways, nonmotorized or motorized trails,
20 bridlepaths, playgrounds, playfields, bathhouses, comfort stations,
21 swimming pools, boat launches, kayak launches, recreation centers,
22 ice rinks, skateboard parks, dog parks, Nordic and alpine skiing
23 facilities, and other similar recreational facilities, including
24 both supporting infrastructure and wayfinding for those facilities.
25 Public recreation facilities include the operation and equipment
26 used for the operation of the facilities.

27 (g) "Revenues" means the income derived from the tax, plus
28 interest and penalties imposed by this act, levied and assessed
29 under an ordinance adopted pursuant to this act.



1 (h) "Short-term rental" means, except as otherwise provided in
 2 this subdivision, a rental of a short-term transient facility of
 3 not more than 30 consecutive days. A short-term rental does not
 4 include the rental of a short-term transient facility if that
 5 property is rented out for 14 days or less in a calendar year.

6 (i) "Short-term transient facility" means an apartment, house,
 7 cottage, condominium, or other occupied property where 1 or more
 8 rooms are rented by an owner through the use of advanced
 9 reservations. A short-term transient facility does not include a
 10 hotel or a motel.

11 (j) "Transient guest" means a natural person staying less than
 12 30 consecutive days.

13 Sec. 3. (1) The governing body of a local unit of government
 14 may enact an ordinance to levy, assess, and collect an excise tax
 15 from all persons engaged in the business of providing
 16 accommodations, except in hospitals, confinement facilities, or
 17 nursing homes, whether or not membership is required for the use of
 18 the accommodations.

19 (2) The ordinance provided by this act may be amended or
 20 repealed in the same manner as it was adopted.

21 (3) The tax imposed under this act shall be at a rate of not
 22 more than 5% of the total charge for accommodations under this act.

23 (4) The levying of the excise tax described in subsection (1)
 24 is subject to section 31 of article IX of the state constitution of
 25 1963, and is subject to approval by a majority of the qualified
 26 electors of the local unit of government.

27 Sec. 4. A local unit of government levying a tax pursuant to
 28 an ordinance adopted under this act shall provide in the ordinance
 29 for all of the following:



1 (a) The effective date of the ordinance which shall be in
2 accordance with section 6.

3 (b) The rate of the tax to be imposed.

4 (c) The rate and manner of the imposition of interest and
5 penalties for delinquency in payment of taxes or other violations
6 of the ordinance. The interest imposed on delinquency in payment of
7 the tax shall not be more than 1% per month or fraction of a month
8 of the unpaid tax after the due date until paid. The penalty for
9 delinquency in payment of the tax when due or other violations of
10 the ordinance may be in addition to the interest but shall not be
11 more than 5% of the amount of the unpaid tax per month or fraction
12 of of a month after the due date until paid. However, the penalty
13 shall not exceed 25% of the unpaid tax.

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

15 (e) The designation of the administrator of the tax and
16 methods of collection.

17 Sec. 5. A local unit of government levying a tax under this
18 act may provide in the ordinance for 1 or more of the following:

19 (a) The adoption and enforcement of rules to apply, interpret,
20 effectuate, and administer the ordinance and the purposes of the
21 tax.

22 (b) The prescribing and furnishing to taxpayers of forms,
23 instructions, manuals, and other materials necessary for
24 indorsement of the tax and the auditing of tax returns.

25 (c) The examination by the administrator or his or her agent
26 of the books and records of a taxpayer for purposes of determining
27 the correctness of a tax return or information filed, or the
28 determination of any tax liability under this act.

29 (d) The imposition of a fine of not more than \$500.00, or



1 imprisonment of not more than 90 days, or both for violation of the
2 ordinance.

3 (e) The tax imposed under this act may be a lien on the
4 premises regardless of whether or not a tenant is responsible for
5 the payment of the tax.

6 (f) The tax, if delinquent for 6 months or more, may be
7 certified annually by the administrator to the proper tax assessing
8 officer or agency, who shall enter the lien on the next tax roll
9 against the premises in which the accommodations have been
10 provided, and the charges shall be collected and the lien shall be
11 enforced in the same manner as provided for the collection of taxes
12 assessed upon the roll and the enforcement of the lien for the
13 taxes.

14 Sec. 6. An ordinance adopted under this act shall not become
15 effective before the first day of the month following the
16 expiration of 60 days after the ordinance is adopted.

17 Sec. 7. The taxes levied under this act shall be in addition
18 to any other taxes, assessments, charges, or fees.

19 Sec. 8. (1) The revenues derived from the taxes imposed
20 pursuant to this act shall be deposited in a special fund to be
21 used by the local unit of government or by an authority that is
22 organized pursuant to state law, together with other available
23 funds only to pay 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 public
28 recreation facilities, including the payment of principal and
29 interest, when due, on bonds or other evidence of indebtedness



1 issued by the local unit of government for public recreation
2 facilities.

3 (c) Current or future annual rental payable by the local unit
4 of government to an authority organized pursuant to state law for
5 the purpose of acquiring, constructing, improving, enlarging,
6 repairing, or maintaining public recreation facilities and leasing
7 them to the local unit of government.

8 (d) The promotion and encouragement of tourist and convention
9 business and public recreation facilities owned or operated by the
10 local unit of government.

11 (2) A local unit of government may enter into agreements with
12 1 or more local units of government for the development, finance,
13 and operation of public recreation facilities that benefit the
14 residents of the local unit of government.

