



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 6166 (as discharged)
Sponsor: Representative Tyrone Carter
House Committee: Government Operations
Senate Committee: Government Operations (discharged)

CONTENT

The bill would amend the Convention and Tourism Marketing Act to specify that assessments levied by a convention business and tourism bureau on hotels and other transient facilities¹ in an assessment district to fund a marketing program could not exceed the following limits:

- Through December 31, 2024, 3% of the room charges in the applicable payment period.²
- Beginning January 1, 2025, through December 31, 2030, 3.5% of the room charges in the applicable payment period.
- Beginning January 1, 2031, 4% of the room charges in the applicable payment period.

MCL 141.883

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bill would have no fiscal impact on the State. It could have a fiscal impact on local governments by allowing an eligible bureau (Visit Detroit) to increase assessment fees. The fee increases would not be mandated and the bureau could keep them as is, in which case there would be no fiscal impact. If the bureau decides to increase fees as allowed under this bill it could raise an additional revenues. Currently the fee is capped at 2% and raises approximately \$18.0 million. The maximum allowed under the bill law would be 4% starting January 1, 2031, and assuming the assessments were not increasing over time, would raise an additional \$18.0 million per year.

Date Completed: 12-19-24

Fiscal Analyst: Bobby Canell
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¹ "Transient facility" means a building which contains 35 or more rooms used in the business of providing dwelling, lodging, or sleeping to transient guests, whether membership is required for the use of the rooms. A transient facility does not include a hospital or nursing home.

² "Room charge" means the charge imposed for the use or occupancy of a room, excluding charges for food, beverages, State use tax, telephone service or like services paid in connection with the charge, and reimbursement of the assessment imposed by the Act.