

REGIONAL EVENT CENTER FINANCING ACT

Act 340 of 2020

AN ACT relating to the promotion of regional convention business and tourism in this state and certain regions of this state; to provide for tourism and convention financing and promotion programs in certain areas; to provide for imposition and collection of assessments on the owners of transient facilities to support tourism and convention financing and promotion programs; to provide for the disbursement of the assessments; to establish the oversight functions and duties of certain state departments, state agencies, and state employees; and to prescribe penalties and remedies.

History: 2020, Act 340, Eff. Mar. 24, 2021

The People of the State of Michigan enact:

141.1441 Short title.

Sec. 1.

This act shall be known and may be cited as the "regional event center financing act".

History: 2020, Act 340, Eff. Mar. 24, 2021

141.1442 Definitions.

Sec. 2.

As used in this act:

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

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

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

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

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

(f) "Event center financing program" means a program established by a municipality to plan, develop, design, and construct an event center.

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

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

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

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

(i) "Owner" means the owner of a transient facility located within the assessment district or, if the transient

facility is operated or managed by a person other than the owner, then the operator or manager of that transient facility.

(j) "Room" means a room or other space provided for sleeping, including the furnishings and other accessories in the room.

(k) "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 this act.

(l) "Transient facility" means a building that contains 35 or more rooms used in the business of providing dwelling, lodging, or sleeping to transient guests, whether or not membership is required for the use of the rooms. A transient facility shall not include a hospital or nursing home.

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

(n) "Use tax" means the tax imposed under the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

History: 2020, Act 340, Eff. Mar. 24, 2021

141.1443 Event center financing program; assessment; ordinance; form; written referendum.

Sec. 3.

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

(2) The event center financing program shall describe the proposed size, location, cost, and financing structure of the proposed event center.

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

(4) Upon adoption of an ordinance establishing an event center financing program, the clerk of the municipality shall cause an event center financing program notice to be mailed by registered or certified mail to each owner of a transient facility located in the municipality. In assembling the list of owners to whom the notices shall be mailed, the clerk shall use any data that are reasonably available to the clerk.

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

(6) Within 30 days after adoption of an ordinance establishing an event center financing program, the clerk of the municipality shall require a written referendum to be held by mail or in person among all owners of transient facilities in each municipality in the assessment district. For purposes of the referendum, each owner shall have 1 vote for each room in an owner's transient facility. If a majority of votes actually cast at the referendum approve the assessment and the votes actually cast at the referendum represent 60% or more of the total rooms in those transient facilities, as proposed by the municipality in its event center financing program notice, the assessment shall become effective as to all owners of transient facilities located in the assessment district on the first day of the month following expiration of 30 days after certification of the results by the clerk that the event center financing program was approved. If a majority of votes actually cast at the referendum are opposed to the assessment or if less than 60% of the total rooms are represented in the votes actually cast at the referendum, the assessment shall not become effective. If the assessment is defeated by the referendum, the municipality may file and serve a new notice of intention if at least 60 days have elapsed from the date of certification of the results of the earlier referendum. Not more than 2 referenda or notices may be held pursuant to this subsection or filed pursuant to this subsection in any 1 calendar year. Only 1 assessment under this act may be in existence in an assessment district, or any part of an assessment district, at any 1 time.

(7) The assessment described in this act shall not be effective before January 1, 2020.

History: 2020, Act 340, Eff. Mar. 24, 2021

141.1444 Payment of assessment; reimbursement; audit; interest; notice required.

Sec. 4.

(1) Upon the effective date of an assessment, each owner of a transient facility in the assessment district shall be liable for payment of the assessment, computed using the percentage set forth in the event center financing program notice. The assessment shall be paid by the owner of each such transient facility to the municipality within 30 days after the end of each calendar month and shall be accompanied by a statement of room charges imposed with respect to the transient facility for that month. This act shall not prohibit a transient facility from reimbursing itself by adding the assessment imposed pursuant to this act to room charges payable by transient guests, provided that the transient facility discloses that it has done so on any bill presented to a transient guest.

(2) Within 30 days after the close of each calendar quarter, each owner within an assessment district shall forward to the independent certified public accountants who audit the financial statements of the municipality copies of its use tax returns for the preceding quarter. These copies of the use tax returns shall be used solely by the certified public accountants to verify and audit the owner's payment of the assessments and shall not be disclosed to the municipality except as necessary to enforce this act.

(3) Interest shall be paid by an owner to the municipality on any assessments not paid within the time called for under this act. The interest shall accrue at the rate of 1.5% per month. Owners delinquent for more than 90 days in paying assessments, in addition to the 1.5% interest, shall pay a delinquency charge of 10% per month or fraction of a month on the amount of the delinquent assessments. The municipality may sue in its own name to collect the assessments, interest, and delinquency charges.

(4) The owner of a transient facility shall not be liable for payment of an assessment until a notice has been mailed to the transient facility of the owner pursuant to section 3(4).

History: 2020, Act 340, Eff. Mar. 24, 2021

141.1445 Disposition of revenue.

Sec. 5.

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

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

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

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

History: 2020, Act 340, Eff. Mar. 24, 2021