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What is MACVB?

MACVB (Michigan Association of Convention & Visitor Bureaus):

- Advocates for Michigan's tourism and convention industries, promoting statewide growth and development.
- Provides educational resources and leadership to its members, enhancing their marketing and operational capabilities.
- Facilitates networking opportunities among Destination Marketing Organizations to share best practices and collaborative strategies.
- Supports initiatives that market Michigan as a prime destination for tourists, events, conventions, and group meetings, thereby boosting the local economy.



MACVB Members

MACVB has 51 member Destination Marketing Organizations (DMOs) throughout the state

Michigan Association of CVB Member Locations





Purpose of a DMO

- Economic development organizations devoted to promoting their destination's brand and attributes, raising visitor awareness of their region.
- Represent their regions through advertising, public relations, visitor services, and group sales to attract convention business and leisure travel.
- Work to fully maximize their meeting, convention, and events facilities potential with year-round business.
- Invest in destination development to attract visitors to a region.



Funding of DMOs

There are several different statutes that create the funding mechanisms for DMOs in Michigan.

- Some create Assessments and others require collection of Taxes.
- The majority of DMOs in Michigan are funded through PA 59, a regional assessment district voluntarily established by the owners and managers of the regional accommodation.



Economic Benefits of DMOs and Tourism

- Michigan's tourism industry contributes \$3.2 billion in state & local taxes.
- In 2022, the tourism economy had a \$48.5 billion economic impact for the State of Michigan.



PA 263 of 1974

HB 5443

- Counties: Kent, Muskegon, Ingham, Washtenaw, Genesee, Kalamazoo, Calhoun, and Saginaw
- Enacted in 1978, this act allows 8 counties (based on population) to impose an excise tax of up to 8% on hotel room charges. There is no minimum room requirement for this tax. The allowable tax rate was increased from 5% to 8% after HB 5048 was signed into law last month by Gov. Whitmer.
- Counties eligible under this act can enact ordinances to levy, assess, and collect the excise tax, detailing the tax rate, collection methods, and penalties for delinquency.
- Tax revenues are designated County administrative costs for the program, funding convention and entertainment facilities, and promoting tourism and convention business within the county. The funds can also be used to fund tourist destinations such as auditoriums, stadiums, music halls, sports complexes and aquariums.
- Because of HB 5048 signed into law signed last month, Kent County cities are also eligible to enact a 2% tax on hotel room charges.



PA 383 of 1980

HB 5445

- Counties: Wayne, Macomb and Oakland
- Designed to promote convention business and tourism through marketing programs through a regional assessment on hotel room charges.
- Enables the collection of assessments from transient facility owners, capped at 2% of room charges, to finance tourism and convention marketing programs. Currently, only hotels with 35 or more rooms are required to administer this tax on room charges.
- Stipulates that assessment revenues must be used for advertising, promoting convention business and assisting facilities with tourism promotion.
- Mandates annual financial audits, with reports on assessment revenues and marketing program expenditures to ensure transparency and proper use of funds.



PA 395 of 1980 (PA 59)

HB 5441

- **Counties:** Entire state is eligible to create (majority of DMOs use this Act)
- Originally enacted in 1980 and further expanded in 1984, this public act is commonly referred to as PA 59 and establishes an assessment up to 5%.
- Allows for the creation of a regional assessment district if supported by a vote of the region's accommodations owners. Each room receives 1 vote.
- Accommodations that are either owned or under common management and that have 10 or more rooms in an assessment district are required to collect and remit the assessment. (This includes property managers with 10 or more short-term rental properties managed on behalf of property owners.)



PA 395 of 1980 (PA 59)

HB 5441

(continued)

- The purposes of these funds are to enhance convention business and tourism through coordinated marketing efforts in Michigan municipalities and regions.
- Each DMO that operates under this public act goes through annual financial audits and reports on spending to ensure transparency and effective use of funds.



PA 106 of 1985

HB 5442

- Imposes an excise tax on lodging providers in certain counties to fund convention facility development and boost tourism in Michigan.
- Establishes variable excise tax rates based on hotel size and location, to be collected from convention hotels.
- Creates the Convention Facility Development Fund for tax revenue, aimed at financing the acquisition and improvement of convention facilities. (Detroit Convention Center, Huntington Place)
- The tax rates varies from 1.5% to 6% depending on the number of rooms a hotel has and if it is located within the City of Detroit. No tax is collected for hotels with fewer than 80 rooms.



PA 244 of 1989

HB 5440

- Regional assessment district across all 15 Upper Peninsula Counties.
- The statute allows for a 1% assessment on accommodation room charges.
- Like PA 59, any transient lodging facilities that are under common ownership or management with 10 rooms or more must collect and remit the assessment.
- The purpose of this assessment is to increase tourism throughout all parts of Michigan's Upper Peninsula.
- Mandates annual financial audits of the bureau, with reports on assessment revenues and marketing program expenditures to ensure transparency and proper use of funds.



PA 180 of 1991

HB 5437

- Established to assist in financing of a stadium or convention facility. This has been utilized in Wayne County.
- The allowed taxes include:
 - 1% tax on the sale of food and beverage including alcohol
 - 2% of gross receipts from rental vehicles
 - 1% of gross receipts on hotel room charges



PA 25 of 2007

HB 5446

- Authorizes a 2% room assessment for Kent County and the Lansing region if supported by a vote of the region's lodging owners. Each room receives 1 vote.
- This assessment aims to enhance convention business and tourism through marketing and promotion programs in these regions.
- Establishes oversight roles for certain state departments and agencies, and mandates financial audits and reporting to ensure transparency and proper use of assessment revenues.



PA 254 of 2010

HB 5439

- Counties: Saginaw, Bay, Midland
- Allows for the creation of an assessment district in the Great Lakes Bay Region if supported by a vote of the region's accommodation owners. Each room receives 1 vote.
- The purpose of this assessment is the development and promotion of regional tourism and convention activities.
- Transient lodging facilities that have 2 rooms or more are required to collect and remit the assessment. The statute allows for up to a 5% assessment on room charges.
- Facilitates the promotion of convention business and tourism in Michigan through regional marketing and promotion programs, leveraging assessments from owners of transient facilities.
- Mandates annual financial audits of the bureaus, with reports on assessment revenues and marketing program expenditures to ensure transparency and proper use of funds.



PA 340 of 2020

HB 5444

- Enables funding for event center projects to boost tourism and convention business in Michigan.
- Allows certain eligible counties to levy up to a 4% assessment on room charges in designated districts.
- Requires a majority vote from transient facility owners within a district to approve the assessment.
- Funds collected are dedicated to event center development costs and related expenses.
- Sets penalties for late payments and allows municipalities to enforce assessment collection.



Short-Term Rental Legislative Package

MACVB is supportive of the following concepts:

- Statewide Short-Term Rental Registry
- Tax and Assessment Parity
- Local Government Zoning Control



Short-Term Rental Legislative Package

MACVB is opposed to the following proposals:

- Unfair tax burden on STRs compared to other accommodations
- Burden of funding housing and childcare being placed on the lodging industry
 - Note: The majority of assessment and tax statutes in our state already allow DMOs to support these efforts if their local boards so choose – adding this language adds confusion and potentially de-prioritizes other important strategic efforts of DMOs



THANK YOU!
Questions?

<https://www.visitmichigan.org/>