



The Policy Gap: Tourism Marketing vs. Public Investment Needs

Creating a Dedicated Mechanism for Marquette County Infrastructure

Michigan Has Established Precedents for Lodging-Funded Public Investment

- ✓ Michigan utilizes multiple lodging-tax statutes for distinct public purposes.
- ✓ **PA 263** authorizes county accommodations taxes for tourism, convention, and entertainment facilities.
- ✓ **PA 340** allows lodging assessments to finance publicly owned event-center capital projects.
- ✓ **The proposed Marquette framework** extends this established concept to support rural tourism infrastructure and public amenities.

HB 5048 Demonstrates Targeted Legislative Authority for Local Needs



Enacted as PA 35 of 2024, HB 5048 amended PA 263 to address specific local financing requirements.



Increased the qualifying county tax ceiling from 5% to 8%, requiring voter approval for the portion above 5%.



Utilized objective population criteria to create additional local authority applicable to a narrowly defined geography.



Establishes that the Legislature can tailor lodging-tax authority to specific local tourism-financing needs.

Applying the HB 5048 Legislative Blueprint to Marquette County

1

Identify a specific tourism-financing need within the community.

2

Define the eligible geography through objective statutory population criteria.

3

Obtain state enabling legislation to authorize the tax mechanism.

4

Require local voter approval before imposing the new charge.

5

Restrict the resulting revenue strictly to clearly defined public purposes.

A Standalone Act Tailors Authority to Rural Infrastructure Needs



PROPOSED LEGISLATION WORKING TITLE

Rural Communities Tourism Infrastructure and Amenities Act

Establishes a dedicated statutory framework custom-tailored to address the public amenity and critical infrastructure needs of rural Michigan counties.

CURRENT STATUTORY LIMITATIONS

PA 395 Marketing Scope Constraints

- Marquette County currently operates within the PA 395 tourism-marketing framework, rather than Kent County's PA 263 structure.
- Proposed investments in rural public amenities and critical infrastructure fall outside PA 395's tourism-marketing scope.

LEGISLATIVE SOLUTION

Tailored Standalone Authority

- A standalone act allows the Legislature to comprehensively define the tax base, eligible uses, approval process, and collection system.
- Directly bridges the gap between tourism impacts and local infrastructure capacity without disrupting existing promotional structures.

Coordinating New Legislation with Existing PA 395 Protections

PA 395 SECTION 3(5)

Existing Statutory Restriction

PA 395 Section 3(5) restricts covered municipalities from being subjected to PA 263 or another tax based on a room charge.

STATUTORY REQUIREMENT

Mandatory Legislative Link

A new standalone lodging tax must be expressly coordinated with this existing statute.

PROPOSED FRAMEWORK

Targeted Specific Exception

The proposed framework preserves PA 395's general protection against additional room-charge taxes while creating a specific exception.

A Coordinated Two-Bill Package Enables the New Authority

BILL A

Rural Communities Tourism Infrastructure & Amenities Act

Creates the new county lodging-tax authority and dedicated public-investment framework.



BILL B

Conforming Amendment

A narrow conforming amendment to PA 395 Section 3(5) creates a specific exception for a tax imposed under the new act.



EXISTING PROGRAM PROTECTION

Travel Marquette's existing PA 395 assessment and program remain otherwise unchanged.

Objective Statutory Criteria Target Marquette County

POPULATION THRESHOLD

60K–75K

Statutory Eligibility Benchmark

Eligibility is defined as an Upper Peninsula county with a population greater than 60,000 and less than 75,000 based on the most recent federal decennial census.

CURRENT SCOPE

Initial Target

This narrow statutory definition initially restricts eligibility specifically to Marquette County.

LEGISLATIVE FLEXIBILITY

Future Expansion

The framework allows for future expansion through amendments to the eligibility definition if policymakers choose to include other tourism-dependent counties.

A County-Level Tax with a Dedicated Infrastructure Fund



Taxing Authority

Marquette County, rather than individual municipalities, serves as the taxing authority.



Electoral Mandate

Implementation requires countywide voter approval before the tax may be levied.



Revenue Management

Revenue is deposited exclusively into a dedicated Rural Communities Tourism Infrastructure and Amenities Fund.



Fund Protection

Funds will not lapse into the general fund and are strictly restricted to statutorily eligible purposes.

A Modern Tax Base Captures All Transient Accommodations

STATUTORY AUTHORITY

Modernized Definition

The standalone act utilizes a modernized definition beyond PA 395's existing transient-facility framework to ensure comprehensive local coverage.

COLLECTION MECHANISM

Marketplace Facilitators

Marketplace facilitators can be required to collect and remit the tax directly when processing booking payments, streamlining administration and compliance.

TAX BASE SCOPE

Covered Property Types

- ✓ Hotels & Motels
- ✓ Cabins & Cottages
- ✓ Resorts & Inns
- ✓ Campgrounds
- ✓ Short-Term Rentals
- ✓ RV Sites
- ✓ Vacation Rentals

Comprehensive Policy: Ensures level competition across all traditional, lodging, and modern marketplace accommodations.

Reinvesting in Public Amenities and Outdoor Recreation

Trails & Pathways

Non-motorized trails, (e-bike/ORV?) trailheads, and pathways.

Parks & Waterfronts

Parks, beaches, waterfronts, public access, marinas, docks, and boat launches.

Visitor & Recreation Facilities

Public restrooms, visitor facilities, and indoor/outdoor recreation facilities.

Cultural & Heritage Sites

Cultural, historic, arts, and heritage facilities.

Public Access & Infrastructure Improvements

Public gathering spaces, parking, wayfinding, accessibility improvements, and land acquisition for recreation.

Supporting Critical Infrastructure and Emergency Services

Transportation

Roads & Bridges

Roads, streets, bridges, and comprehensive transportation infrastructure essential for regional mobility.

Utilities & Sanitation

Water & Waste Management

Water, wastewater, stormwater, solid-waste, recycling, and municipal sanitation infrastructure systems.

Emergency Response

Fire & EMS Services

Fire and EMS facilities, emergency equipment, and vital response infrastructure for community safety.

Public Facilities & Safety

Transit & Visitor Safety

- Public parking and transportation facilities.
- Search-and-rescue and public-safety infrastructure related to visitor-generated demand.

Integrating the Proposed Tax with Existing Assessments

EXISTING TAX STRUCTURE

Assessments Remain Unchanged

State Tax: Michigan's 6% sales and use tax remains unchanged.

Local Tourism Rates: Travel Marquette's 5% PA 395 assessment and UPTRA's 1% PA 244 assessment remain unchanged.

Marketing Program: The PA 395 tourism-marketing program continues unchanged.

NEW PROPOSED LEGISLATION

Dedicated County Lodging Tax

Targeted Funding: A dedicated county lodging tax specifically for public amenities and critical infrastructure.

Fiscal Protection: Complete with a dedicated fund to ensure revenue is ring-fenced.

Governance: Enforces strict accountability requirements for all expenditures.

Comparing Structural Models: Kent County vs. Marquette County

Shared Policy Foundation

Both approaches rely on state enabling legislation, narrowly defined eligibility, and lodging-derived county revenue for public investment.

Existing Framework

Kent County Model

HB 5048 Amendment Structure

- Amended existing public act provisions (**PA 263**) to accommodate venue and convention financing.
- Utilizes established statutory mechanisms tailored for metropolitan population thresholds.
- Directly expands current lodging tax authorizations within pre-existing legislative frameworks.

Proposed Framework

Marquette County Model

Standalone Legislative Strategy

- Proposal creates a **new standalone rural infrastructure act** tailored specifically for local county needs.
- Requires a narrow **PA 395 conforming amendment** to ensure full statutory alignment.
- Maintains seamless compatibility with Marquette's existing tourism-assessment structure and governance.

Market the Destination and Reinvest in Infrastructure

Destination Marketing

PA 395 & PA 244

PA 395 and PA 244 provide established mechanisms to attract visitors to the region.

Reinvestment Framework

Infrastructure & Amenities Act

The Rural Communities Tourism Infrastructure and Amenities Act creates a dedicated mechanism for reinvestment.

Local Benefit

Visitor-Generated Revenue

Visitor-generated revenue directly supports the public amenities and critical infrastructure essential to both residents and visitors.