



Washtenaw County Finance Department

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Washtenaw County Accommodation Ordinance 2012 Annual Report

History

The Washtenaw County Accommodation Ordinance was adopted in 1975 by the Board of Commissioners (BOC) to collect an excise tax which under Michigan law, applies to providers of accommodations engaged in the businesses of providing rooms for dwelling, lodging, or sleeping purposes to transient guests.

The Ordinance permits the BOC to provide the services allowed by law through County government; or, to contract with nonprofit agencies to carry out the purpose of the Ordinance.

The excise taxes charged to each transient guest are utilized to improve the local economy and to promote and encourage tourist and convention business within the County.

Since its inception, the County has contracted with both the Ann Arbor Area and the Ypsilanti Area Convention & Visitors Bureaus (CVBs) for their marketing and tourism efforts.

The collection and use of the tax is overseen by the Accommodations Ordinance Commission (AOC).

Monthly reports are prepared for the AOC to reflect the excise tax revenue received, the 10% retained by the County to administer the fund, the 90% disbursement to the CVBs, and to report delinquencies and enforcement actions, if any.

A Second Amendment to the Ordinance provided certain providers of accommodations to be excluded, specifically, bed & breakfasts, cottages, and single-family residences who offered their home on occasion to transient guests for weekend events. This Second Amendment became effective October 1, 2012.

The administration and enforcement of the Ordinance had been the responsibility of the Treasurer's Office since the Ordinance's adoption through mid-December 2012. Effective December 17, 2012, these responsibilities were transitioned to the Washtenaw County Finance Director with the Third Amendment to the Ordinance.

Revenues

The Treasurer’s Office collected and receipted the accommodation excise tax of 5% of room revenue reported for accommodations due on or before the 15th each month for the previous month’s activity.

The total audited accommodations tax revenue collected and receipted for 2012 was \$4,291,759.86 which was an increase of 7.47% and \$298,170.66 from 2011 revenues collected and receipted.



Disbursements

The audited 2012 disbursement of accommodation excise taxes are shown below:

Washtenaw County	10% of total taxes collected - <i>includes penalty and interest</i>	\$ 596,818.98
Ann Arbor Area CVB	75% of remainder	2,771,205.67
Ypsilanti CVB	25% of remainder	923,735.21
		Total \$ 4,291,759.86

Welcome Letters Sent

There were 13 welcome letters were sent to providers of accommodations in 2012. The traditional providers included bed & breakfasts, inns, hotels, and motels; while the non-traditional providers included, primarily, single-family residences who made available their home for periodic weekend events.

Welcome letters were sent to the following traditional providers of accommodations in 2012 and included: Hill St House, Avalyn Garden B&B, Hilton Garden Inn - Ann Arbor, Towneplace Suites – Ann Arbor, and the Baxter House B&B.

Welcome letters were sent to eight (8) non-traditional providers of accommodations in 2012.

Facilities Closed

No facilities closed in 2012.

Exemption Affidavit Outcome

The Second Amendment to the Accommodations Ordinance exempted certain providers of accommodations to no longer be subject to the Ordinance with the conditions they:

1) Returned a completed Exemption Affidavit, and 2) had their account up-to-date through period ending September 30th, 2012.

Those who met the above conditions included: Parish House Inn, Burnt Toast Inn & the Washington House, Ann Arbor B&B, the Farmhouse, Chelsea House Victorian Inn, Lyndon Oaks B&B, the Library B&B, Waterloo Gardens B&B, Motel Manor, the Star Motel, Gotta Scrap Inn of Michigan, Casa del Sol, John Urquhart Cottage, Cadgwith Too B&B, the Steller House B&B, Hill St House, First St Garden Inn, and Avalyn Gardens B&B, as well as, 32 other non-traditional providers of accommodations.

Delinquencies

The AOC voted in September 2009, to withhold marketing support from those who were delinquent in reporting their room revenue and/or remitting their accommodation excise tax to the County Treasurer.

Delinquent providers of accommodations who required enforcement with legal action were: Ann Arbor B&B, the Frank Lloyd Wright/Palmer House, Davies House Georgetown B&B, and Vitosha Guest Haus.

- The Ann Arbor B&B enforcement with legal action has been resolved, the settlement amount has been paid in full, and an exemption affidavit has been received. The Ann Arbor B&B is no longer subject to the Ordinance.
- The Frank Lloyd Wright/Palmer House enforcement with legal action has been resolved, the settlement amount has been paid in full, and an exemption affidavit has been received. The Frank Lloyd Wright/Palmer House is no longer subject to the Ordinance.
- The Davies House Georgetown B&B enforcement with legal action has been resolved, the settlement amount has been paid in full, and an exemption affidavit has been received. The Davies House Georgetown B&B is no longer subject to the Ordinance.
- The Vitosha Guest Haus enforcement with legal action has been resolved, is making payments towards the judgment lien, and an exemption affidavit has been received. Once the judgment lien has been paid in full, the Vitosha Guest Haus will no longer be subject to the Ordinance.