

A RESOLUTION TAKING THE FOLLOWING ACTIONS: (1) APPROVING THE THIRD AMENDMENT TO THE WASHTENAW COUNTY ACCOMMODATION ORDINANCE TO CLARIFY THAT THE EXCISE TAX WILL ONLY BE ASSESSED AGAINST THE ACTUAL PRICE OF THE ROOM AND TO APPOINT THE COUNTY FINANCE DIRECTOR AS THE NEW ADMINISTRATOR OF THE ORDINANCE; (2) APPROVING THE RELATED PERSONNEL TRANSFER RELATED TO THE AMENDMENT; AND (3) AMENDING THE EXISTING COUNTY POLICY ON ENFORCEMENT OF THE ACCOMMODATION ORDINANCE

WASHTENAW COUNTY BOARD OF COMMISSIONERS

October 17, 2012

WHEREAS, under Michigan law (MCLA 141.861 et seq), counties having a population of less than 600,000 people, with a city of at least 40,000 people, may enact an ordinance to levy, assess and collect an excise tax of not more than 5% from all persons engaged in the business of providing rooms for dwelling, lodging or sleeping purposes to transient guests; and

WHEREAS, the main purpose of the collected accommodation excise taxes is to promote tourism and convention business within the county where the tax is assessed; and

WHEREAS, in 1975, the Washtenaw County Board of Commissioners approved an Accommodations Ordinance ("Ordinance"), which provided, in part, that operators of businesses, which offer rooms for dwelling, lodging or sleeping to transient guests, were to be assessed a 2% excise tax for each room rented; and

WHEREAS, the Ordinance also created the Washtenaw County Accommodations Ordinance Commission ("AOC") as the governing board to oversee the Ordinance; and

WHEREAS, on December 3, 2008, the Washtenaw County Board of Commissioners approved a Resolution (#08-0244) amending the Ordinance as follows: increasing the amount of the excise tax from 2% to 5% as permitted by Michigan law, and increasing the County share of the collected excise tax used to administer and enforce the Ordinance from 5% to 10% of the total collected taxes; and

WHEREAS, on August 1, 2012, the Washtenaw County Board of Commissioners approved a Second Amendment to the Resolution (#12-0116), which exempted certain bed and breakfasts, cottages, and individuals who periodically leased rooms in their homes from being assessed the accommodations excise tax; and

WHEREAS, the AOC has been carefully looking at the cost to administer and enforce the Ordinance; and

WHEREAS, this review revealed that the County was attempting to collect the accommodation excise tax for extra services provided by hotels/motels to their guests,

including, but not limited to, providing internet access to rooms and providing cribs to guests; and

WHEREAS, on September 11, 2012, the AOC met, in part, to discuss these attempts to collect the excise tax for those extra services provided by the hotels/motels; and

WHEREAS, during this meeting, the AOC, passed a Resolution indicating that it believed the accommodation excise tax should not be assessed against such extra services, because attempting to collect the tax against such minor services was not a cost-effect use of the monies used to enforce the Ordinance, and recommending that the Board of Commissioners amend the Accommodation Ordinance to make clear that the excise tax would only be assessed against the actual price of the room and not any extra services that may be provided to guests; and

WHEREAS, during this meeting, the AOC also passed a Resolution recommending that the Board of Commissioners amend the Accommodation Ordinance to appoint the County Finance Director as the person responsible to enforce the Ordinance; and

WHEREAS, should the proposed amendment be approved, to insure a seamless transition in administering and enforcing the Ordinance, it will be necessary for the Treasurer's Office to make the collections records available to the County Finance Director; and

WHEREAS, on October 17, 2012, the Washtenaw County Board of Commissioners held a public hearing on the proposed Third Amendment to the Ordinance.

NOW THEREFORE, BE IT RESOLVED that the Washtenaw County Board of Commissioners approves the Third Amendment to the Washtenaw County Accommodation Ordinance, as attached to this Resolution, which (1) clarifies that the accommodation excise tax shall only be assessed against the actual price of the room itself and not any extra services provided by the room provider; and (2) appoints the County Finance Director to be the new Administrator of the Accommodation Ordinance, with complete responsibility to enforce the Ordinance provisions.

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners transfers the Accountant I/II/III position (#1902-0016) currently dedicated to enforcing the Accommodation Ordinance for the County Treasurer under the direction of the County Finance Director, to help administer and enforce the Ordinance's provisions.

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners approves the revised Policy on Enforcing the Accommodation Ordinance, which reflects the changes approved by this Resolution as attached.

BE IT FURTHER RESOLVED that the County Finance Director shall have access to all existing collection records concerning the Accommodations Ordinance.

BE IT FURTHER RESOLVED that the current version of Washtenaw County Accommodation Ordinance remains in full force and effect until December 17, 2012, at which time the "Third Amended Washtenaw County Accommodation Ordinance" shall become effective.

COMMISSIONER	Y	N	A	COMMISSIONER	Y	N	A	COMMISSIONER	Y	N	A
Bergman			X	Ping	X			Conan Smith	X		
Brabec	X			Prater	X			Dan Smith	X		
Gunn	X			Rabhi	X			Turner	X		
Peterson	X			Sizemore			X				

CLERK/REGISTER'S CERTIFICATE - CERTIFIED COPY

ROLL CALL VOTE:

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STATE OF MICHIGAN)

I, Lawrence Kestenbaum, Clerk/Register of said County of Washtenaw and Clerk of Circuit Court for said County, do hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the Washtenaw County Board of Commissioners at a session held at the County Administration Building in the City of Ann Arbor, Michigan, on October 17th, 2012, as it appears of record in my office.

COUNTY OF WASHTENAW)^{SS.}

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Court at Ann Arbor, this 18th day of October, 2012.

LAWRENCE KESTENBAUM, Clerk/Register

BY: _____ Deputy Clerk



Res. No. 12-0153