

Iron County Board of Commissioners

RESOLUTION

In Support of House Bill 4590

A bill to create a Tourism Reinvestment Excise Tax

WHEREAS, tourism rates have increased steadily across the Upper Peninsula in recent years. This growth is apparent in an almost 20 percent increase in visitor spending in the U.P. between 2011 and 2017, according to the Michigan Economic Development Corporation.

WHEREAS, while this growth in tourism results in positive economic impact to the private sector and increased state tax revenue, local revenue growth is far more restricted. This local revenue growth is limited to local property taxes, any modest increase of which is insufficient to cover the costs of the growth in tourism.

WHEREAS, recreational activity by tourists result in measurable increased strain on local services. This is especially true of life savings medical services that impact not only visitor safety but that of residents as well. Alger County has witnessed a 240 percent growth in non-residential emergency runs between 2012 and 2018. Additionally, the number of out-of-state tickets for traffic violations has more than doubled in the past five years.

WHEREAS, the geographic distances between local services, hospitals and the sites of emergency events can be very large. This places further strain on the ability of EMS to respond in a timely manner when multiple calls are received in one day, putting lives at risk.

WHEREAS, large numbers of tourists impact the cost of emergency services, as well as parks and recreation, in local budgets. There is currently no recourse for County governments to levy taxes that impact visitors only in order to account for these increases costs.

WHEREAS, local residents should not be asked to subsidize with their own limited resources the increased costs of tourism. U.P. residents already pay relatively high property taxes, due in part to greater amounts of non-taxable and tax restricted properties, which shifts the tax burden onto regular property owners. Local voters have also been asked to approve a greater number of special assessments in recent years, due to constrained local revenue in rural counties.

WHEREAS, House Bill 4590, introduced by State Representative Sara Cambensy, provides for a Tourism Reinvestment Excise Tax that, if approved by local voters, would allow Counties the option to tax local room rentals at a rate not to exceed 5 percent of the total room rate. The revenue generated would be designated specifically for emergency medical services and parks and recreation.

NOW THEREFORE BE IT RESOLVED that the Board of County Commissioners of the County of Iron fully supports the passage of House Bill 4590 and that copies of this resolution be sent to Governor Gretchen Whitmer, Senate Majority Leader Mike Shirkey, Speaker Lee Chatfield, the Michigan Association of Counties (MAC) and the Upper Peninsula Commission for Area Progress (UPCAP).

Commissioner Tim Aho offered the resolution that was supported by

Commissioner Mike Stafford and the resolution was adopted by the following vote:

Yeas: Aho, Coates, Leonoff, Stafford, Peretto

Nays: none

Absent: none

I hereby certify the foregoing is a true and correct copy of the resolution adopted at a meeting of the Board of the County Commissioners of the County of Iron on September 8, 2020 .

**BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF IRON**

By Patti A. Peretto
Patti A. Peretto
It's Chair

By Julie Kezerle
Julie Kezerle
It's Clerk

