



VILLAGE OF ONTONAGON

Planning Commission

315 Quartz Street
Ontonagon, Michigan 49953
906-884-2305 Fax: 906-884-4369

AGENDA

PLANNING COMMISSION MEETING
WEDNESDAY, OCTOBER 21, 2026

3:30 p.m.

Village Council Chambers

William Johnson
Chairperson

Deb Seid
Vice-Chairperson

MEMBERS
Lyle Perry
Dorothy Sharkey
John Hamm

Zoning
Administrator

1. Pledge of Allegiance
2. Call to order/Roll Call
3. Approval of Agenda
4. Approval of Minutes: September 16, 2026
5. Items from the floor
6. Business
 - a. Report of Zoning Administrator
7. New Business
 - a. Short Term Rentals
8. Adjourn

VILLAGE PLANNING COMMISSION
HELD ON WEDNESDAY, September 16, 2026
AT 3:30 P.M. AT 315 QUARTZ STREET, ONTONAGON

At 3:30 pm the meeting was called to order and the Pledge of Allegiance was led by Vice-Chairperson Seid.

CALL TO ORDER/ROLL CALL

PRESENT: Lyle Perry, Vice-Chairperson Deb Seid, Dorothy Sharkey

ABSENT: John Hamm, Chairperson William Johnson

Zoning Administrator, Mike Rebholz, was also in attendance.

AGENDA:

A motion was made by Sharkey, second by Perry, (CARRIED) to approve the agenda as presented.

AYE: Sharkey, Perry, Vice-Chairperson Seid

NAY: None

ABSENT: Hamm, Chairperson Johnson

MINUTES: August 27, 2026

A motion was made by Perry, second by Sharkey, (CARRIED) to approve the minutes of August 27, 2026, as amended.

AYE: Perry, Sharkey, Vice-Chairperson Seid

NAY: None

ABSENT: Hamm, Chairperson Johnson

ITEMS FROM THE FLOOR:

None.

BUSINESS:

a. Report of Zoning Administrator

Zoning Administrator Rebholz informed the Commission that he informed a resident that he needed a permit for the improvements he was making to his building and the resident was not cooperative. Other than the one incident, residents have been applying for permits as needed.

He also updated the Commission on the following topics:

- He was able to sign off on a change of use from commercial to residential for a resident.
- UP Engineers is looking for the editable file of the original Village of Ontonagon Zoning Map so changes can be made.
- He received an email from OASD Superintendent Lisa Johnson stating that there has been a delay with the new bus garage and that they will not be able to vacate the old school garage until the middle of November or sometime in December. He will contact her to discuss this further as the DPW crew has plans for storing their equipment in the old garage.

- He has sent two letters to a resident who has constructed an eight foot tall fence made of metal roofing material in the Village right of way. He is being asked to move the fence from the Village right of way.
- A discussion was held on alleys and plowing.

NEW BUSINESS:

a. Change Violations to Civil Infractions

A motion was made by Sharkey, second by Perry (CARRIED) to recommend to Council that our attorney change Zoning Violations to Civil Infractions.

ROLL CALL

AYE: Sharkey, Perry, Vice-Chairperson Seid

NAY: None

ABSENT: Hamm, Chairperson Johnson

b. Short Term Rentals

The Commission decided to move this item to next month's meeting agenda.

Vice-Chairperson Seid presented a handout about Short-Term Rentals and a short discussion ensued about rentals, fire inspections/codes and parking requirements.

ADJOURN:

Meeting adjourned at 4:18 p.m. by call of the Chair.

Minutes recorded by Clerk Wendy Pence.

Wendy Pence, Clerk

Approved

Good Neighbor Guide

A Guide for Short-Term Renters

Being a Good Neighbor on vacation means treating your rental neighbors as you would like to be treated back home: friendly, courteous, and respectful. While you are here, you are a member of our community. To ensure your visit is enjoyable for you, as well as the neighborhood around your rental, we ask that Short-Term Rental (STR) guests abide by the following basic Good Neighbor Guidelines:

GUEST RESPONSIBILITIES

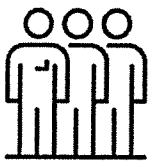


Follow the suggestions in this guide. Read your rental agreement thoroughly and follow your STR owner's terms or restrictions. Please be considerate of your neighbors' right to the peaceful enjoyment of their home. Respect private property.



NOISE & NUISANCE

EHT has a Noise Ordinance. Please respect the neighborhood. Loud music, noise, barking dogs or disturbances that are noticeable beyond the property line are prohibited. Observe Quiet Time-Midnight to 7 a.m. Enjoy Dark Skies by limiting your use of outdoor lighting.



OCCUPANCY

Maximum occupancy of this STR including children is _____. Special events, groups exceeding the posted occupancy limit are prohibited. Tents, campers and RVs used for additional living space are prohibited.



GARBAGE

Please follow your host's directions regarding garbage disposal. Single Stream Recycling is available.



TRAFFIC

Your STR is located in a Residential Zone. Please drive slowly and watch for pedestrians, children playing, and pets, particularly around the beach, ballyard and on neighborhood streets. Most streets do not have sidewalks. Obey posted street signage.



PETS

Pets are required to be on a leash at all times unless inside a dwelling or a fully fenced yard. This includes beach and trail areas. Promptly clean up after your pet and ensure waste is disposed of properly. Waste bags and trash cans are available at the beach and ballyard. Do not allow pets to vocalize excessively.



PARKING

All parking shall be out of the roadway and on-site, in garage or driveway as lot and neighborhood configurations allow.



LEAVE NO TRACE

Please be respectful of the environment. Stay on trails, pack out all trash, including TP. Follow host's directions regarding outdoor fires. If allowed, do not leave fire unattended and completely extinguish fires when finished. Use existing firepits. Do not throw trash in firepits. Use of fireworks is governed by Michigan State laws.



USEFUL NUMBERS

Police & Fire Emergency: 911
Sheriff/Non-Emergency: 906-337-0528
Aspirus Keweenaw Hospital: 906-337-6500
Express Care Calumet: 906-481-8952

LOCAL CONTACT INFORMATION

Host name and number:

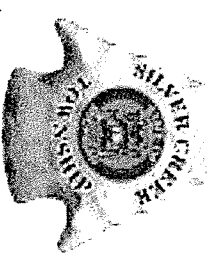
Local contact name and number:

Your STR address: _____

Neighboring property owners may contact the local contact person, managing agent, owner or local authorities to report any issues relating to the property.

Silver Creek Township (Cass Co.)

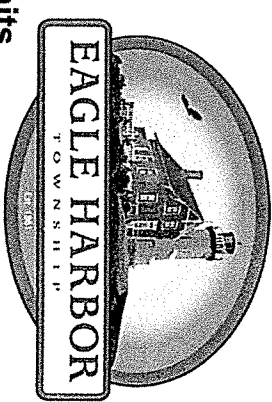
- Max of 500 registered STRs in the township
- Annual registration



- STR periods not less than 3 days or exceed 28 consecutive days
- Permissible in all single-family dwellings
- No two-family dwelling, tent, recreational vehicle, motorhome, vehicle or other structures shall be used for STRs
- Local official to determine max occupancy
 - Lesser of 10 total, or 2 per bedroom + 1 per finished story with egress
- Valid proof of insurance with liability of at least \$1,000,000
- Required septic inspection by health department



Eagle Harbor Township (Keweenaw Co.)



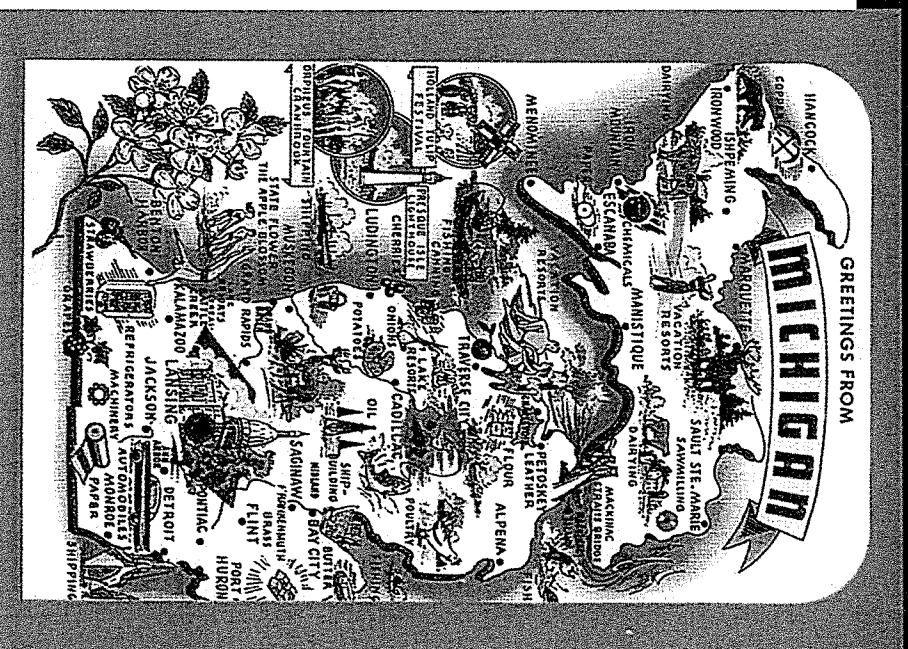
- Where STRs Are Allowed
 - Allowed by right in RS-1 and RS-2 districts.
 - Allowed by right with conditions in R-3, R-1, R-2, CE, and AG districts.
- Permit & Registration
- Existing STRs (before Nov 1, 2023):
 - Must register by **May 1, 2024** to continue operating.
 - No restrictions on number per owner, per parcel, or spacing during this registration.
- New STRs (after Nov 1, 2023):
 - Must comply with restrictions (one STR per parcel, max two permits per owner, distance rules).
- Permits valid **April 1 – March 31** each year (renew by March 31).
- STR cap: 18% of total dwelling units in the township.
- Permits are non-transferable. New owners must apply within 30 days of purchase.
- STRs rented **14 days or less per year** do not require a permit.
- Advertising an STR without a permit is a violation.
- Abide by spacing requirements



Extension

Please share – What other example ML communities do you know?

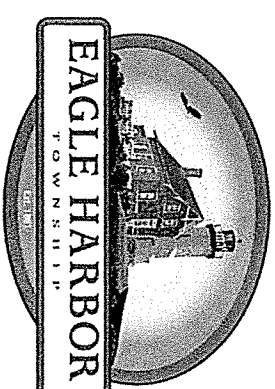
"MI Tourism Map Card" by flickr user UpNorth Memories Guy is licensed under the CC BY-NC-ND 2.0 Deed license.



STR innovations - glamping, yurts, airstreams, tree houses, tents, farms, wineries, single room occupancy (SRO)...



Eagle Harbor Township (Keweenaw Co.)



Operational Standards

- Only one **STR** per parcel may be rented at a time.
- **Local contact person** must be available 24/7 and able to respond **in-person within 60 minutes**.
- Maximum Occupancy = **2 people per bedroom + 2 additional occupants** (children included).
- **Parking:** Must be on-site (garage or driveway), not on the road.
- **Good Neighbor Guide** (provided by township) must be prominently displayed, covering:

Violations & Penalties

Violations are **civil infractions**.

Penalties escalate:

First violation: Written notice; if not fixed in 10 days → second violation.

Second violation: Fine = double permit fee; if not fixed in 10 days → third violation.

Third violation: Larger fine (at least double previous) + **permit revoked**.

Permit revocation triggers:

More than 2 permits held by one owner.

Three violations in a year, or violations in three consecutive years.

Reapplication allowed only **24 months** after **revocation**.

Revocation decisions may be appealed to the **Zoning Board of Appeals**.



Example – City of New Buffalo (Berrien Co.)



- Purpose: City recognizes that one of its largest industries is tourism, and a major part of the industry is the short-term rental marketplace.
- Noteworthy provisions:
 - STRs permitted in commercial districts
 - STR does not include: transitional housing or employer housing
 - Max # of occupants in a dwelling unit during a short-term rental shall not exceed the lesser of 14 total occupants; 2 occupants per bedroom plus 2 additional occupants per finished story
- Nonconforming STRs allowed to continue
 - Rules allow for transfer of ownership, modifications to structure, and demolition



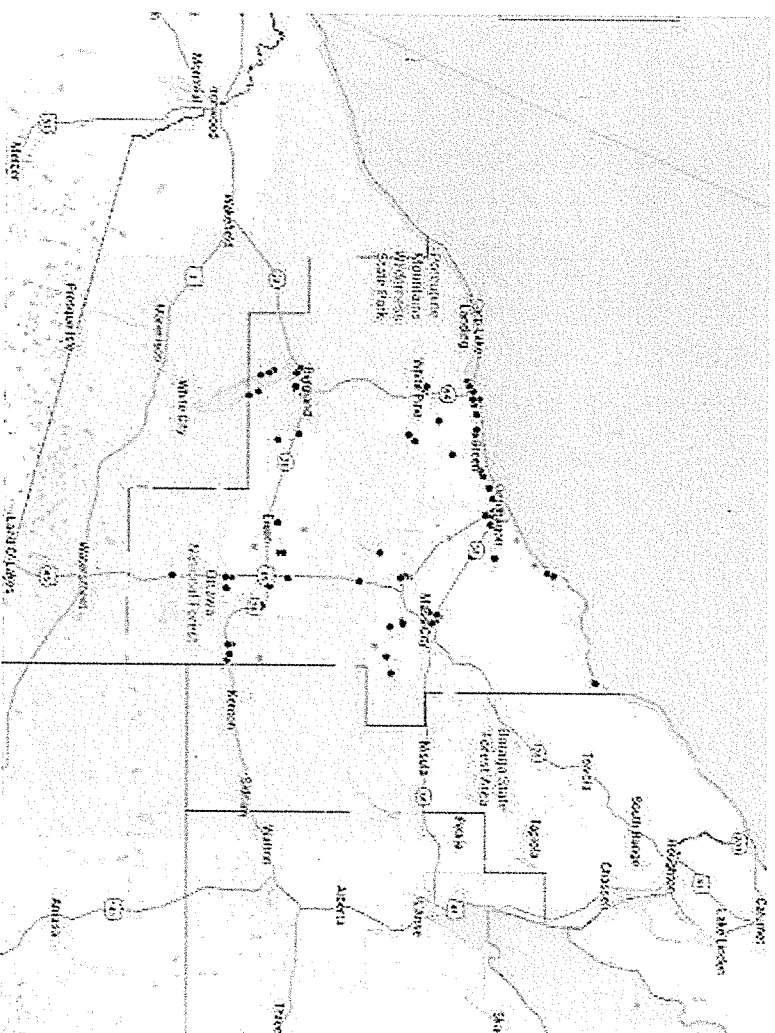
License and Fees

- License fee:
 - administration
 - enforcement
 - 1, 2, or 3 year licenses
 - May include first inspection
- Inspection fee
 - 1, 2 or 3 year intervals
 - Smoke detectors, fire extinguisher, carbon monoxide, (other safety)

Community	LICENSE FEE	Inspection	Re-inspect
South Haven <i>Business use</i>	\$600 annual		\$100
<i>Personal use</i>	\$125 (2-year)		\$100
Ludington	\$1500 (3-year)	\$100 per unit	
East Bay Charter Twp	\$400 annual		
New Buffalo	\$500 (3-year)		
Suttons Bay	\$500 (3-year)		
St. Ignace Category 1	\$250 annual		
St. Ignace Category 2	\$350 annual		

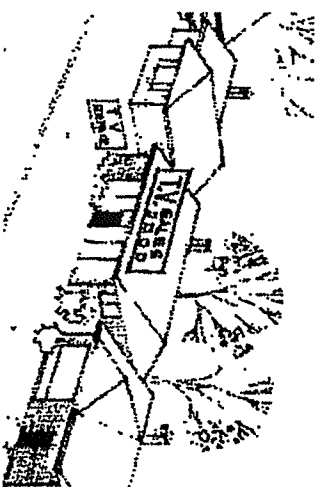


**Regional
Concentration of
STR Listings –
Ontonagon
Market
(Ontonagon Co.)**



Are the current STRs nonconforming? (grandfathered)

- Regulating with zoning means legally established STRs must be allowed to continue if a regulation is changed
 - As long as it operates in the **same manner** and to the **same extent** as it was when it became nonconforming.
- May not amortize (sunset) nonconformities under zoning
 - *De Mull v. City of Lowell*, 368 Mich. 242 (1962)
- If it was never legal, it is a violation



Nonconformities

- **Court:** prior STR is not nonconforming use (if never permitted)
- A ZA's interpretation is not binding
 - ZA #1 "as long as one family is occupying a dwelling at a time, the ordinance permitted the use regardless of length of stay"
 - ZA#2 "one-week rentals are not for residential purposes, and are prohibited in the R1-B zoning district"
- Definitions of "dwelling" and "dwelling unit" central to this case
 - "Because short-term rentals are inherently transitory, by limiting the use to 'family' dwelling units, Ordinance 10 plainly prohibited short-term rentals."

Concerned Prop. Owners of Garfield Twp., Inc. v. Charter Twp. of Garfield, COA, 2018



Currently allowed in zoning?

- If a use is not listed as a permitted or special land use in the zoning district, the use is not allowed.
- Most ordinances are written in a permissive manner:
 - “A permissive format states the permissive uses under the classification [zoning district], and necessarily implies the exclusion of any other non-listed use.” (*Independence Twp. v Skibowski*, 136 Mich App 178 (1984)).



After ordinance amendment: No vested right

- Defendants sought to stop the township from enforcing amendments to the zoning ordinance to allow STR as conditional use.
- Claimed they had a vested right to continue their STR under the old ordinance (*which did not allow STRs*)
- Appeals Court held property owners had *no vested right*; Twp. had the right to change zoning (and had updated the plan prior to doing so).

Mirabella v. Twp. of Autrain, et al., 2015

"Simply put, an illegal non-conforming use cannot ripen into a legally conforming use on its own imagination or by the unilateral determination of a zoning administrator. . . ."

Alger County Circuit Court
Opinion, *Vername et al v AuTrain Twp*
Zoning Bd of Appeals, 09-4948-AR



Other court distinctions - Centering on definitions

People v. Dorr, (COA, 2020)

- STRs are not classified as a home business with "paying guests."

Reaume v. Twp of Spring Lake (MSC, 2020)

- Definitions of single-family dwelling excludes temporary occupancy—because family is defined to exclude "transitory or seasonal" relationships.
- The ordinance excluded the plaintiff's property as a dwelling, because the property met the definition of a motel (and classified as such for the violation).
- "We must follow the definition provided in the ordinance."



Condos, homeowner associations, deed restrictions

- May restrict or prohibit STRs, exceeding local regulation.
- STR is inconsistent with single-family private residences.
- Renting for short-term use is a commercial use, even if the activity is residential in nature.
 - *Berlin Trust v. Rubin*, MSC (2025) – 3:3 vote – CoA (2023) opinion stands
 - *Apache Hills Prop. Owners Ass'n v. Sears Nichols Cottages, LLC*, CoA (2022)
 - *Cherry Home Ass'n v. Baker*, CoA (2021)
 - *Aldrich v. Sugar Springs Prop. Owners Ass'n*, CoA (2023)
 - *Eager v. Peasley*, CoA (2017)



Regulatory options

Zoning Ordinance	Purpose
Restrict to certain zoning districts (Zoning)	Can limit STRs to certain zoning districts, or designate different levels of STRs within zoning districts
Different classification of STRs	Commercial/downtown: fewer restrictions Residential areas: increased restrictions such as 7 night minimum, separation distances.
STR Overlay Zone (Grand Haven Charter Township)	Designates specific areas where STRs are permitted, STR licensing not eligible outside of overlay.

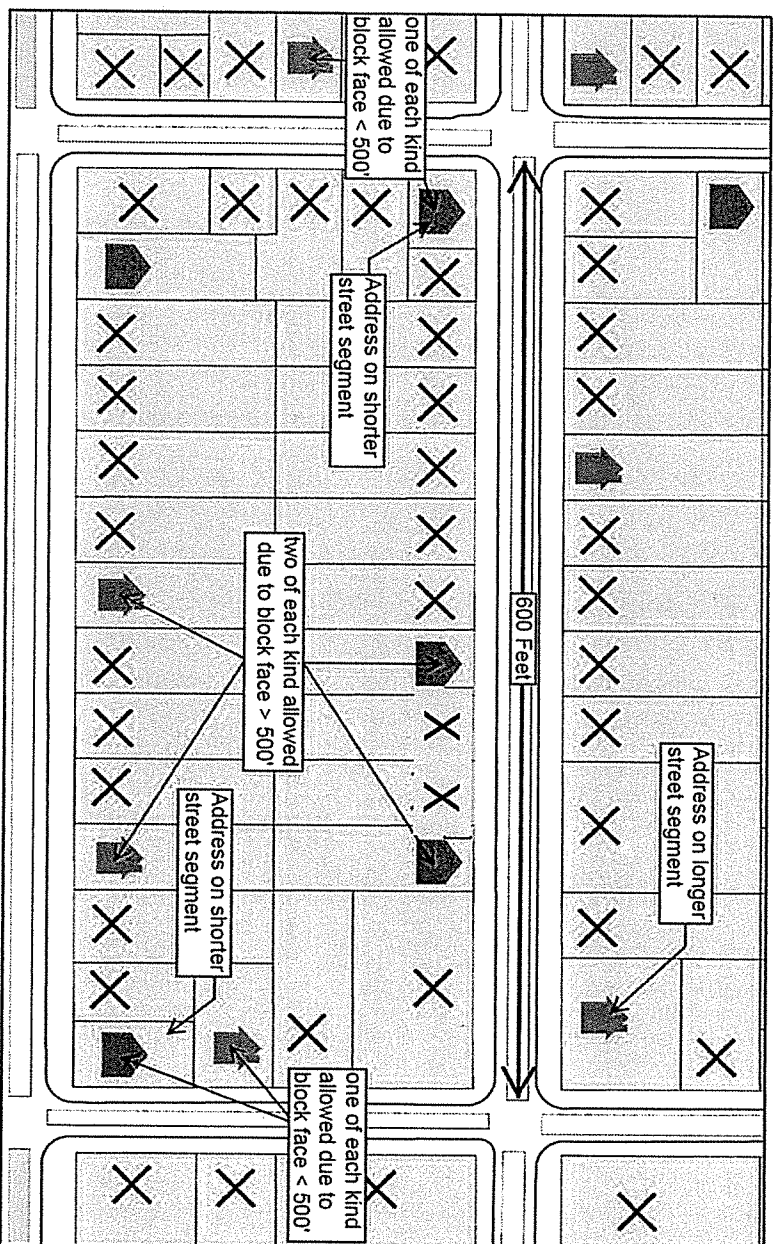
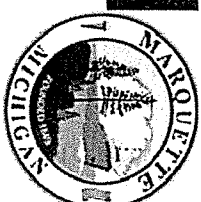


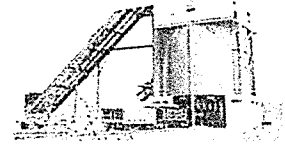
Exceptions to an STR in zoning

- Bed and Breakfast
- Hotel/Motel
- Adult Foster Care Homes
- Nursing Homes
- Substance Abuse - Rehab Facilities
- Dwellings that have been rented yearly since the date the ordinance took effect (e.g., 1972)



Example – City of Marquette (Marquette Co.)





ORDINANCE 72

AN ORDINANCE REGULATING SHORT TERM RENTAL OCCUPANCIES WITHIN THE VILLAGE OF AHMEEK, ESTABLISHING GENERAL STANDARDS, APPLICABLE DEFINITIONS, A REGISTRATION PROCESS, FEE ESTABLISHMENT, A PENALTY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Village of Ahmeek, (Village) has conducted research on the nature and extent of short term rentals, (STRs) in the Village and has obtained public input at public meetings regarding the impact of STRs on the Village; and

WHEREAS, Village ordinances do not allow the use of any properties to be used for transient, short term stays for less than thirty days, termed short term home rental; and

WHEREAS, the Village has received concerns about STRs from citizens regarding STRs; and

WHEREAS, if necessary to investigate complaints or concerns, the Village does not have adequate contact information for owners of STRs, which would be beneficial in a timely response to complaints, concerns and in the event of life, health or safety emergencies; and

WHEREAS, the Village desires to ensure the health and safety of guests and residents, but also support tourism in a balanced manner; and

WHEREAS, the Village is concerned with the increased impact on services and infrastructure; and

WHEREAS, the Village has reviewed a variety of possible regulations for STRs and determined that enacting a registration program for STRs will serve to balance the rights of all stakeholders through a fair and balanced regulatory framework and ensure that STRs do not become a nuisance; and

WHEREAS, the Village wishes to adopt regulations requiring the registration of STRs within the Village, which will allow the Village to properly identify the location of STRs, to ensure that the STRs are paying all required taxes and fees to the Village, and to provide contact information for owners and agents of STRs to aid in responding to complaints, concerns and emergencies; and

WHEREAS, the Village finds that regulating STRs is necessary for the health, safety and welfare of the general public, the promotion of consistent land uses and development, and the protection of landowners and

NOW THEREFORE, BE IT ORDAINED BY THE VILLAGE OF AHMEEK COUNCIL:

SECTION 1-TITLE

The Ordinances of Ahmeek, Michigan are hereby updated by adding a new ordinance, entitled "Ordinance 72-Short Term Rentals".

SECTION 2-PURPOSE

The purpose of this Ordinance is to safeguard the life, health, safety, welfare and property of the occupants of STRs, the neighbors of said occupants and the general public, through the regulation of STR properties.

SECTION 3-APPLICABILITY

The provisions of this Ordinance shall apply to all existing and future properties, both primary and accessory structures and any portions thereof, where allowed in accordance with Village zoning and other regulations.

SECTION 4-DEFINITIONS

Administrator: The individual designated Village Council President to enforce and administer this Ordinance.

Advertise: The act of drawing the public's attention to an STR in order to promote the availability of the residence for use as an STR. Said advertising may be found in any medium, including but not limited to, newspaper, magazine, brochure, website or mobile application.

Bedroom: The living area(s) of the dwelling that is designed and furnished for sleeping and which has proper egress as required by the National Fire Protection Association Life Safety Code.

Booking Service: Any agent, reservation and/or payment service provided by a person or entity that facilitates an STR transaction between an owner and a prospective occupant, and for which the person or entity collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation and/or payment services provided for the STR transaction.

Hosting Platform: A person or entity that participates in the STR business by providing and collecting or receiving a fee for booking services, through which an owner may offer premises for an occupant on a short term basis. hosting platforms usually, though not necessarily, provide booking services through an online platform that allows an owner to advertise the premises through a website provided by the hosting platform and the hosting platform conducts a transaction by which potential occupants arrange their use and their payment, whether the occupant pays rent directly to the owner or to the hosting platform.

Occupant: Any individual person living, sleeping or possessing a building, or portion thereof. A person is not required to be paying rent, providing in kind services, or named in any lease, contract or other legal document to be considered an occupant.

Owner: Any person, agent, operator, firm, trust, corporation, partnership, or any other legal entity who has a legal or equitable interest in the property; or who is recorded in the official records of the county as holding title to the property; or who otherwise has control of the property, including the guardian of the estate of any such person, and the executor of the estate of such person if ordered to take possession of real property by a court.

Premises: Property, a lot, plot or parcel of land, including any structures or portions of structures thereon.

Short Term Rental: The rental for compensation of dwellings or accessory dwelling units or portions thereof for the purpose of overnight lodging for a period of not less than one night and not more than 29 consecutive days, other than ongoing month to month tenancy granted to the same renter for the same unit as their primary residence.

SECTION 5-GENERAL REGULATIONS

Unregistered STRs prohibited:

It shall be unlawful for any owner or person to rent, lease, advertise or otherwise permit or allow any premises to be operated or used as an unregistered STR in accordance with this Ordinance.

Occupancy fees:

The occupancy fee imposed by the Village shall be 5% of the booking fee, including any cleaning fees.

Payment of occupancy fees:

The Village Council shall establish agreements with those booking platforms and hosting services that agree to automatically collect and distribute applicable occupancy fees to municipalities. If owners/hosts do not utilize such platforms or services, they shall be responsible for remitting the occupancy fee to the Village on a monthly basis.

STR registration required

An owner who desires to use its premises as an STR must have a valid, active STR registration from the Village prior to using, allowing the use of, or advertising the use of said premises as an STR. Upon application to the Village, an STR permit may only be approved by the Administrator, or designee, if the application satisfies all the conditions of this Ordinance. The Village shall provide a standard registration form.

Expiration of registration

An STR registration shall expire on the last day of the month, one year after the date of issuance. No STR registration may be renewed without a completed renewal application submitted by the owner and payment of the renewal fee. An application for the renewal of an STR registration may only be approved by the Administrator, or designee, if the renewal application satisfies all the conditions of this Ordinance.

Requirements of registration application.

Every application for an STR registration shall include the following information with such detail and in a form approved by the Administrator:

1. The physical/street address of STR.
2. The name, address, email address(es), phone number(s) and authenticated signature for the owner(s) of the premises and the corporation owner's representative if applicable.
3. The name, address, email address and phone number(s) of the operator(s), agent(s) if any, and designated local responsible party.
4. Any documents and certifications deemed necessary and proper to ensure compliance with this Ordinance.
5. A floor plan of the entire structure(s), regardless of what portions are utilized for STRs.
6. A safety inspection conducted by authorized individuals of the Ahmeek Village Volunteer Fire & Rescue Department.

Registration renewals:

An application for an STR renewal registration may be filed beginning thirty days prior to expiration of a current registration. Every complete application for an STR renewal registration shall include updates, if any, to the information contained in the original registration application or any subsequent renewals. The registration holder shall sign a statement affirming that there is either no change to such information, or that

any updated information is accurate and complete. The Administrator may require such certifications deemed necessary and proper to ensure continuing compliance with this Ordinance. The Village shall provide a standard registration renewal form.

A safety inspection conducted by authorized individuals of the Ahmeek Village Volunteer Fire & Rescue Department is required for registration renewals.

An application for an STR renewal registration submitted after the expiration of the most immediate registration for the premises shall be treated as an application for a new registration.

Applications shall not be considered complete until all documentation required within this Ordinance is submitted, and until the full application and registration fees have been paid. Incomplete applications will not be accepted.

Designation of local responsible party required:

An owner must provide the name and contact information of a designated local responsible party who can be contacted regarding immediate concerns. The person designated may be the owner or another individual. The owner or individual must be available to be reached in person or by phone at all times while occupants are on the premises. If called, a local responsible party must be able to and shall be present at the premises within one hour of call from the Administrator, or his designee. A local responsible party must be authorized to make decisions regarding the premises and its occupants.

Registration and Renewal Fees:

A registration fee of \$100.00 will be charged to for costs associated with the administration of this Ordinance. An annual renewal fee of \$100.00 will be charged upon filing of the renewal application. The applicable fee shall be paid at the time the initial application is filed and at the time each renewal application is submitted.

STR registration non-transferable:

An STR registration is not transferable and shall not be assigned nor transferred to another person or entity. Any attempt to transfer a registration or attempt to use another person's registration may be grounds for revocation of said registration.

Minimum stay required:

It shall be unlawful for an owner to rent or lease an STR for a period of less than one night.

Notice to occupants:

An owner or person operating an STR shall provide a notice of instructions also known as "host rules" to occupants staying at the premises. The notice shall instruct the occupants as to all applicable Village regulations pertaining to STRs. This notice shall include instructions for requesting emergency assistance.

Registration to be displayed:

A copy of the approved STR registration shall be posted in a conspicuous location inside the front entrance(s) of the STR.

Signage required:

Adequate signage shall be prominently displayed on the street side of the structure, indicating the structure is a short term rental. The name of the hosting platform is sufficient if the occupancy does not have a business name. The minimum size of the signage shall be 24" x 24".

SECTION 6-ADMINISTRATIVE PROCEDURES

Revocation of registration:

Any registration issued hereunder may be revoked by the Administrator if the permit holder has received one or more citations for violations of this article within the preceding twelve month time period; or knowingly made a false statement in the application; or fails to notify the Administrator in writing of any material change in the information. Failure to remit occupancy fees and/or knowingly disregard the responsibility to collect and occupancy fees for any and all occupant stays are considered violations of this Ordinance.

Appeal of Revocation of Registration:

If the Administrator revokes a registration, the Administrator's decision is final unless the owner, within ten days after the receipt of written notice of the action, files a written appeal with the Village Council, who shall, within ten days after the appeal is filed, consider all the evidence in support of or against the action appealed, and render a decision, either sustaining or reversing the action. The decision of the Village Council is final.

SECTION 7-ENFORCEMENT

A person who violates any provision of this Ordinance by performing an act prohibited or by failing to perform an act required is guilty of a misdemeanor. Each day on which a violation exists or continues to exist shall be a separate offense. Such offenses shall be punishable by a fine not to exceed Five Hundred Dollars, at the discretion of the Village Council. The provisions of this section are in addition to, and not in lieu of, any criminal prosecution or penalties as provided by other ordinances, county or state law.

SECTION 8-DISCLAIMER

That it is hereby declared to be the intention of the Village Council that the sections, paragraphs, sentences, clauses and phrases of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared void, ineffective or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such voidness, ineffectiveness or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance, since the same would have been enacted by the Village Council without the incorporation herein of any such void, ineffective or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 9-ADOPTION

This ordinance shall take effect after adoption and publication as required by law.

AN OPEN LETTER TO THE MICHIGAN HOUSE OF REPRESENTATIVES AND MICHIGAN SENATE REGARDING SUPPORT FOR HB 5140 – WITH NECESSARY PROTECTIONS FOR VILLAGES

Members of the Michigan House of Representatives and Michigan Senate:

We write on behalf of Villages across Michigan to express our *conditioned* support for House Bill 5140 of 2025 and its effort to modernize the State's outdated framework governing accommodation and lodging taxes.

Accommodations such as hotels, motels, short-term rentals, and other temporary dwellings are a significant contributor to the present and burgeoning tourism industry that many Villages across the State take advantage of. At the same time, accommodations that draw visitors from all over Michigan and the United States place additional demand and strain on public safety, utilities, infrastructure, and other public resources. HB 5140 is a critical, and necessary, step toward giving local communities the tools to address the costs borne from that strain. We support the bill's basic principle that voters and their elected municipal governments should have the ability to establish an accommodation tax and use those revenues to address local needs. The bill's recognition of villages as eligible local units of government is particularly important.

However, we implore our elected representatives to **amend HB 5140** to prevent a serious jurisdictional concern: the potential for a township to impose and collect an accommodation tax on lodging located within, and served by, an incorporated village, thereby eliminating the said village's ability to tax said accommodation.

The problematic section is shared below, but can be found on page 6, lines 12-15:

If a village has any accommodation within a township that levies an excise tax authorized by this section, then the accommodation is exempt from the excise tax levied by the village.

Villages are often tasked with providing greater public services than townships and therefore shoulder greater public costs. It is not uncommon for villages to supply police services, fire protection, planning and zoning, water and sewer, public works, parks and recreation, and more. Villages serve as the economic hubs of rural areas outside of cities, and as such, are more likely than townships to be the focus of its regional tourism industry, more likely to hold the accommodations proposed for taxing, and more likely to bear the public costs associated with supporting a regional tourism industry.

The statute needs to inverse its priority rule: when a village and township would have overlapping authority to tax the same accommodation, the village's authority should control for accommodations located within the village.

We therefore request that HB 5140 be amended to provide that a township may not levy, assess, or collect an accommodation tax on an accommodation located within a village when doing so would conflict with the village's authority to levy, assess, or collect an accommodation tax under state law.

This approach is consistent with a basic principle of local government: taxation authority should follow jurisdictional responsibility. The community that has jurisdiction over the property and provides the governmental framework in which the accommodation operates should have the ability to determine, through its own democratic process, whether an accommodation tax is appropriate, and to be able to collect it as such.

Thank you for your consideration and for your continued work on behalf of Michigan's local communities.





SIGNATURE HERE
 Person
 Village Manager
 Village of XXXXXXXXX



SIGNATURE HERE
 Person
Village Manager
 Village of XXXXXXXX