

SENATE BILL No. 703

December 5, 2017, Introduced by Senators SCHMIDT and HORN and referred to the Committee on Commerce.

A bill to amend 2007 PA 25, entitled "Convention and tourism promotion act," by amending the title and section 2 (MCL 141.1322) and by adding sections 1a, 7a, and 7b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1
2
3
4
5
6
7
8

TITLE

An act relating to the promotion of convention business and tourism in this state and certain metropolitan areas of this state; to provide for tourism and convention marketing and promotion programs in certain metropolitan areas; to provide for imposition and collection of assessments on the owners of transient facilities to support tourism and convention marketing and promotion programs; to provide for the disbursement of the assessments; to establish

1 the **OVERSIGHT** functions and duties of certain state departments,
2 **STATE AGENCIES**, and **STATE** employees; and to prescribe penalties and
3 remedies.

4 **SEC. 1A. (1) THE LEGISLATURE FINDS ALL OF THE FOLLOWING:**

5 (A) **TOURISM IS A MAJOR SOURCE OF EMPLOYMENT, INCOME, AND TAX**
6 **REVENUES IN THIS STATE, AND THE EXPANSION OF THE TOURISM INDUSTRY**
7 **IS VITAL TO THE GROWTH OF THIS STATE'S ECONOMY.**

8 (B) **THE TOURISM INDUSTRY IS IMPORTANT TO THIS STATE, NOT ONLY**
9 **BECAUSE OF THE NUMBER OF PEOPLE IT SERVES AND THE VAST HUMAN,**
10 **FINANCIAL, AND PHYSICAL RESOURCES IT EMPLOYS, BUT BECAUSE OF THE**
11 **BENEFITS TOURISM AND RELATED ACTIVITIES CONFER ON INDIVIDUALS AND**
12 **ON SOCIETY AS A WHOLE.**

13 (C) **STATE OVERSIGHT AND RESOURCES ARE NEEDED TO IMPLEMENT A**
14 **COORDINATED AND EFFECTIVE MARKETING PROGRAM CONSISTENT WITH THE**
15 **MASTER PLAN DEVELOPED BY THIS STATE TO PROMOTE TRAVEL TO, AND**
16 **WITHIN, THIS STATE UNDER THE MICHIGAN TOURISM POLICY ACT, 1945 PA**
17 **106, MCL 2.101 TO 2.103A, AND TO OPTIMIZE THE CONSIDERABLE**
18 **INVESTMENT OF TIME, ENERGY, CAPITAL, AND RESOURCES BEING MADE BY**
19 **THE TOURISM INDUSTRY.**

20 (D) **THIS STATE CAN BEST UNDERTAKE EFFECTIVE TOURISM MARKETING**
21 **THROUGH THE COORDINATED EFFORTS OF EXISTING STATE GOVERNMENT**
22 **AGENCIES IN TOURISM PROMOTION AND PRIVATE CONVENTION AND TOURISM**
23 **PROMOTIONAL BUREAUS WHO ARE BETTER ABLE THAN STATE AGENCIES TO**
24 **MARKET AND PROMOTE THEIR UNIQUE ASSESSMENT DISTRICTS, WHICH WILL**
25 **MAXIMIZE THE ECONOMIC AND EMPLOYMENT BENEFITS OF THE TOURISM**
26 **INDUSTRY TO THIS STATE AND ITS CITIZENS.**

27 (E) **THE COORDINATED EFFORTS WITHIN THIS ACT TO MARKET AND**

1 PROMOTE TOURISM REPRESENT A BROADER REGULATOR SCHEME THAT DOES NOT
2 IMPINGE ON AN INDIVIDUAL'S FIRST AMENDMENT RIGHTS.

3 (2) NOTHING IN THIS ACT SHALL BE CONSTRUED TO DO 1 OR MORE OF
4 THE FOLLOWING:

5 (A) RESTRAIN AN OWNER OR PARTICIPANT FROM COMMUNICATING ITS
6 OWN MESSAGE OR MARKETING PLAN.

7 (B) REQUIRE ANY OWNER OR PARTICIPANT TO ADOPT ANY ACTUAL OR
8 SYMBOLIC SPEECH.

9 (C) ENDORSE OR FINANCE ANY POLITICAL SPEECH OR IDEOLOGICAL
10 VIEW.

11 Sec. 2. As used in this act:

12 (a) "Assessment" means the amount levied against an owner of a
13 transient facility within an assessment district computed by
14 application of the applicable percentage against aggregate room
15 charges with respect to that transient facility during the
16 applicable assessment period.

17 (b) "Assessment district" means a municipality or a
18 combination of municipalities as described in a marketing program.

19 (c) "Assessment revenues" means the money derived from the
20 assessment, including any interest and penalties on the assessment,
21 imposed by this act.

22 (d) "Board" means the board of directors of a bureau.

23 (e) "Bureau" means a nonprofit corporation incorporated under
24 the laws of this state existing solely to promote convention
25 business and tourism within this state or a portion of this state
26 and that complies with all of the following:

27 (i) Has not less than 200 dues-paying members, of which not

1 fewer than 25 are owners of transient facilities.

2 (ii) Has been actively engaged in promoting convention
3 business and tourism for not less than 10 years.

4 (iii) Has a board of directors elected by its members.

5 (iv) Has a full-time chief executive officer and not fewer
6 than 14 full-time equivalent employees.

7 (v) Is a member of 1 or more nationally recognized
8 associations of travel and convention bureaus.

9 (vi) Regularly books conventions at the community's largest
10 convention center, which generate hotel room nights throughout the
11 surrounding area.

12 (f) "Director" means the chief executive officer of the
13 Michigan economic development corporation or his or her designee.

14 (g) "Marketing program" means a program established by a
15 bureau to develop, encourage, solicit, and promote convention
16 business and tourism within this state or a portion of this state
17 within which the bureau operates. The encouragement and promotion
18 of convention business and tourism shall include any service,
19 function, or activity, whether or not performed, sponsored, or
20 advertised by a bureau, that intends to attract transient guests to
21 the assessment district.

22 (h) "Marketing program notice" means the notice described in
23 section 3.

24 **(I) "MASTER PLAN" MEANS THE COMPREHENSIVE, LONG-RANGE MASTER**
25 **PLAN DEVELOPED BY THE MICHIGAN TRAVEL COMMISSION AND THE TRAVEL**
26 **BUREAU UNDER SECTION 2C OF THE MICHIGAN TOURISM POLICY ACT, 1945 PA**
27 **106, MCL 2.102C.**

1 (J) ~~(i)~~—"Municipality" means a city, county, village, or
2 township.

3 (K) ~~(j)~~—"Owner" means the owner of a transient facility
4 located within the assessment district or, if the transient
5 facility is operated or managed by a person other than the owner,
6 then the operator or manager of that transient facility.

7 (L) ~~(k)~~—"Room" means a room or other space provided for
8 sleeping, including the furnishings and other accessories in the
9 room.

10 (M) ~~(l)~~—"Room charge" means the charge imposed for the use or
11 occupancy of a room, excluding charges for food, beverages, state
12 use tax, telephone service or like services paid in connection with
13 the charge, and reimbursement of the assessment imposed by this
14 act.

15 (N) ~~(m)~~—"Transient facility" means a building that contains 35
16 or more rooms used in the business of providing dwelling, lodging,
17 or sleeping to transient guests, whether or not membership is
18 required for the use of the rooms. A transient facility shall not
19 include a hospital or nursing home.

20 (O) ~~(n)~~—"Transient guest" means a **NATURAL** person who occupies
21 a room in a transient facility for less than 30 consecutive days
22 **REGARDLESS OF WHO PAYS THE ROOM CHARGE.**

23 (P) **"TRAVEL BUREAU" MEANS THE MICHIGAN TRAVEL BUREAU CREATED**
24 **UNDER SECTION 2A OF THE MICHIGAN TOURISM POLICY ACT, 1945 PA 106,**
25 **MCL 2.102A.**

26 (Q) ~~(o)~~—"Use tax" means the tax imposed under the use tax act,
27 1937 PA 94, MCL 205.91 to 205.111.

1 SEC. 7A. THE BOARD AT REGULAR INTERVALS, BUT NOT LESS THAN
2 TWICE PER YEAR, SHALL CONVENE A FORMAL MEETING AT WHICH THE BOARD
3 SHALL REVIEW ITS CURRENT ANNUAL MARKETING PLAN AND ITS PROPOSED
4 ANNUAL MARKETING PLAN FOR THE SUCCEEDING 1-YEAR PERIOD. ONCE A YEAR
5 AT THESE FORMAL MEETINGS, THE BOARD SHALL REVIEW AND EITHER APPROVE
6 OR REJECT THE PROPOSED ANNUAL MARKETING PLAN. SUBJECT TO SECTION
7 7B, AN APPROVED ANNUAL MARKETING PLAN SHALL BE INSTITUTED BY THE
8 BUREAU. A REJECTED MARKETING PLAN SHALL NOT BE INSTITUTED BY THE
9 BUREAU.

10 SEC. 7B. (1) THE VICE-PRESIDENT OF THE TRAVEL BUREAU AND THE
11 PRESIDENT OR CHIEF ADMINISTRATIVE OFFICER OF THE BUREAU SHALL MEET
12 PERIODICALLY, BUT AT LEAST ONCE EACH YEAR, TO DISCUSS THE MASTER
13 PLAN AND THE ANNUAL MARKETING PLAN APPROVED BY THE BOARD.

14 (2) THE BUREAU AND THE TRAVEL BUREAU SHALL COORDINATE THEIR
15 MARKETING PROGRAM ACTIVITIES AND ANNUAL MARKETING PLAN ACTIVITIES
16 WITH THE MASTER PLAN WITH A GOAL OF MAXIMIZING THE IMPACT OF
17 TOURISM AND CONVENTION BUSINESS ON THE ECONOMY OF THIS STATE.

18 (3) THE DIRECTOR SHALL DISAPPROVE OF THE BUREAU'S ANNUAL
19 MARKETING PLAN WITHIN 30 DAYS OF THE MEETING PROVIDED FOR IN
20 SUBSECTION (1) UPON FINDING THAT IT IS DETRIMENTAL TO THE MASTER
21 PLAN OR THE TRAVEL BUREAU'S PROMOTIONAL PROGRAMS. THE BUREAU SHALL
22 NOT IMPLEMENT AN ANNUAL MARKETING PLAN THAT IS DISAPPROVED BY THE
23 TRAVEL BUREAU. IF THE DIRECTOR DOES NOT DISAPPROVE OF AN ANNUAL
24 MARKETING PLAN WITHIN THE 30-DAY PERIOD, THE ANNUAL MARKETING PLAN
25 SHALL BE CONSIDERED APPROVED AND MAY BE IMPLEMENTED BY THE BUREAU.