

SENATE BILL No. 706

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

A bill to amend 1980 PA 383, entitled "Convention and tourism marketing act," by amending the title and sections 2 and 7 (MCL 141.882 and 141.887) and by adding sections 1a, 7a, and 7b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

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

1 the assessments; to establish the **OVERSIGHT** functions and duties of
2 ~~the department of commerce;~~ **CERTAIN STATE DEPARTMENTS, STATE**
3 **AGENCIES, AND STATE EMPLOYEES;** and to prescribe remedies and
4 penalties.

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

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

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

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

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

1 (E) THE COORDINATED EFFORTS WITHIN THIS ACT TO MARKET AND
2 PROMOTE TOURISM REPRESENT A BROADER REGULATOR SCHEME THAT DOES NOT
3 IMPINGE ON AN INDIVIDUAL'S FIRST AMENDMENT RIGHTS.

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

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

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

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

12 Sec. 2. As used in this act:

13 (a) "Assessment district" means a county having a population
14 of more than 1,500,000 and, if so designated by the bureau in the
15 marketing program notice, any county or counties contiguous with
16 it.

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

20 (c) "Board" means the board of directors of a bureau.

21 (d) "Bureau" means a nonprofit corporation incorporated under
22 the laws of this state existing solely to promote convention
23 business and tourism within this state or a portion of this state,
24 and which complies with all of the following:

25 (i) Has not less than 400 dues paying members, of which not
26 less than 50 are owners of transient facilities.

27 (ii) Has been actively engaged in promoting convention

1 business and tourism for not less than 10 years.

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

3 (iv) Has a full-time chief operating officer and not less than
4 10 full-time employees.

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

7 (e) "Director" means the ~~director~~ **PRESIDENT** of the department
8 ~~of commerce.~~ **MICHIGAN STRATEGIC FUND OR HIS OR HER DESIGNEE.**

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

17 (g) "Marketing program notice" means the notice described in
18 section 3.

19 (H) **"MASTER PLAN" MEANS THE COMPREHENSIVE, LONG-RANGE MASTER**
20 **PLAN DEVELOPED BY THE MICHIGAN TRAVEL COMMISSION AND THE TRAVEL**
21 **BUREAU UNDER SECTION 2C OF THE MICHIGAN TOURISM POLICY ACT, 1945 PA**
22 **106, MCL 2.102C.**

23 (I) ~~(h)~~ "Owner" means the owner of a transient facility
24 located within the assessment district or, if the transient
25 facility is operated or managed by a person other than the owner,
26 then the operator or manager of that transient facility.

27 (J) ~~(i)~~ "Room" means a room or other space provided for

1 sleeping, including the furnishings and other accessories in the
2 room.

3 **(K)** ~~(j)~~—"Assessment" means the amount levied against an owner
4 of a transient facility within an assessment district computed by
5 application of the applicable percentage against aggregate room
6 charges with respect to that transient facility during the
7 applicable assessment period.

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

13 **(M)** ~~(l)~~—"Transient facility" means a building which contains
14 35 or more rooms used in the business of providing dwelling,
15 lodging, or sleeping to transient guests, whether or not membership
16 is required for the use of the rooms. A transient facility shall
17 not include a hospital or nursing home.

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

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

24 Sec. 7. (1) Upon the effective date of the establishment of an
25 assessment under this act, the bureau shall cause an advisory
26 committee to be elected consisting of representatives of the owners
27 of transient facilities located within the assessment district,

1 together with the director or the director's designated
2 representative.

3 (2) The advisory committee shall consist of not less than 9
4 nor more than 15 persons, at least 1 of whom shall not be
5 affiliated with a bureau member. The advisory committee shall
6 include at least 3 persons from each county within the assessment
7 district. ~~, at least 1 of whom, from each county, is affiliated~~
8 ~~with a transient facility of 75 rooms or less.~~ Procedures for the
9 election and terms of the office of the members of the advisory
10 committee shall be established by the bureau.

11 (3) The bureau at regular intervals, but not less than
12 quarterly, shall cause a formal meeting of the advisory committee
13 to be held at which the bureau shall present its current and
14 proposed marketing programs. At these formal meetings the advisory
15 committee shall review and either approve or reject any proposed
16 marketing programs. ~~An~~ **SUBJECT TO SECTIONS 7A AND 7B, AN** approved
17 marketing program shall be instituted by the bureau. A rejected
18 marketing program shall not be instituted by the bureau.

19 (4) The advisory committee may make recommendations to the
20 bureau and the board from time to time with respect to current or
21 proposed marketing programs.

22 (5) The bureau shall cause to be elected to its board of
23 directors, from the members of the advisory committee, 1 person
24 from each of the counties within the assessment district.

25 **SEC. 7A. THE BOARD AT REGULAR INTERVALS, BUT NOT LESS THAN**
26 **TWICE PER YEAR, SHALL CONVENE A FORMAL MEETING AT WHICH THE BOARD**
27 **SHALL REVIEW ITS CURRENT ANNUAL MARKETING PLAN AND ITS PROPOSED**

1 ANNUAL MARKETING PLAN FOR THE SUCCEEDING 1-YEAR PERIOD. ONCE A YEAR
2 AT THESE FORMAL MEETINGS, THE BOARD SHALL REVIEW AND EITHER APPROVE
3 OR REJECT THE PROPOSED ANNUAL MARKETING PLAN. SUBJECT TO SECTION
4 7B, AN APPROVED ANNUAL MARKETING PLAN SHALL BE INSTITUTED BY THE
5 BUREAU. A REJECTED MARKETING PLAN SHALL NOT BE INSTITUTED BY THE
6 BUREAU.

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

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

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