

SENATE BILL No. 704

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

A bill to amend 2010 PA 254, entitled "Regional convention and tourism promotion act," by amending the title and section 2 (MCL 141.1432) and by adding sections 1a, 6a, and 6b.

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; to provide for regional tourism and convention marketing and promotion programs in certain 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 the **OVERSIGHT** functions and duties of

1 certain state departments, STATE AGENCIES, and STATE employees; and
2 to prescribe penalties and remedies.

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

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

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

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

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

26 (E) THE COORDINATED EFFORTS WITHIN THIS ACT TO MARKET AND
27 PROMOTE TOURISM REPRESENT A BROADER REGULATOR SCHEME THAT DOES NOT

1 IMPINGE ON AN INDIVIDUAL'S FIRST AMENDMENT RIGHTS.

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

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

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

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

10 Sec. 2. As used in this act:

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

16 (b) "Assessment district" means a combination of 2 or more
17 adjoining municipalities as described in a marketing program.

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

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

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

26 (i) Has been actively engaged in promoting convention business
27 and tourism for not less than 5 years.

1 (ii) Has a board of directors elected by its members.

2 (iii) Has a full-time chief executive officer and not fewer
3 than 2 full-time equivalent employees.

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

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

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

16 (h) "Marketing program notice" means the notice described in
17 section 3.

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

22 (J) ~~(i)~~ "Municipality" means a county with a population of
23 more than 80,000 and less than 115,000 and that contains a city
24 with a population of more than 35,000 and less than 45,000, at the
25 time the marketing notice is filed with the director, and that
26 shares a border with a county that levies a tax on accommodations
27 under 1974 PA 263, MCL 141.861 to 141.867.

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

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

8 (M) ~~(l)~~—"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 (N) ~~(m)~~—"Transient facility" means a building that contains 2
14 or more rooms used in the business of providing dwelling, lodging,
15 or sleeping to transient guests, whether or not membership is
16 required for the use of the rooms. A transient facility shall not
17 include a hospital or nursing home.

18 (O) ~~(n)~~—"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 for the room.

21 (P) **"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 (Q) ~~(o)~~—"Use tax" means the tax imposed under the use tax act,
25 1937 PA 94, MCL 205.91 to 205.111.

26 **SEC. 6A. THE BOARD AT REGULAR INTERVALS, BUT NOT LESS THAN**
27 **TWICE PER YEAR, SHALL CONVENE A FORMAL MEETING AT WHICH THE BOARD**

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

8 SEC. 6B. (1) THE VICE-PRESIDENT OF THE TRAVEL BUREAU AND THE
9 PRESIDENT OR CHIEF ADMINISTRATIVE OFFICER OF THE BUREAU SHALL MEET
10 PERIODICALLY, BUT AT LEAST ONCE EACH YEAR, TO DISCUSS THE MASTER
11 PLAN AND THE ANNUAL MARKETING PLAN APPROVED BY THE BOARD.

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

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