

# 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:**

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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.