

SENATE BILL No. 707

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

A bill to amend 1980 PA 395, entitled "Community convention or tourism marketing act," by amending the title and section 2 (MCL 141.872), the title as amended by 1984 PA 59 and section 2 as amended by 2010 PA 82, 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 or tourism in municipalities in this state; to provide for tourism or convention marketing programs in municipalities through nonprofit convention and tourist bureaus; to provide for the imposition and collection of assessments on the owners of transient facilities to support tourism or convention marketing programs; to provide for

1 the disbursement of the assessments; to establish the OVERSIGHT
2 functions and duties of ~~the department of commerce;~~ CERTAIN STATE
3 DEPARTMENTS, STATE AGENCIES, AND STATE EMPLOYEES; and to prescribe
4 remedies and 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" means the amount levied against an owner of a
14 transient facility within an assessment district, computed by
15 application of the applicable percentage against aggregate room
16 charges with respect to that transient facility during the
17 applicable assessment period.

18 (b) "Assessment district" means a municipality or combination
19 of municipalities as described in a marketing program. A
20 combination of municipalities is not required to be contiguous.

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

24 (d) "Board" means the board of directors elected by the
25 members of a bureau. A majority of the members of a board shall be
26 owners of transient facilities.

27 (e) "Bureau" means a nonprofit corporation existing to promote

1 convention business or tourism within this state or a portion of
2 this state.

3 (f) "Director" means the president of the Michigan strategic
4 fund **OR HIS OR HER DESIGNEE.**

5 (g) "Marketing program" means a program established by a
6 bureau to develop, encourage, solicit, and promote convention
7 business or tourism within this state or a portion of this state
8 within which the bureau operates. The encouragement and promotion
9 of convention business or tourism includes any service, function,
10 or activity, whether or not performed, sponsored, or advertised by
11 a bureau, that intends to attract transient guests to the
12 assessment district. For a bureau described in section 3(8), a
13 marketing program includes a contract with a nonprofit organization
14 formed to promote convention business or tourism that receives
15 funding from a tax levied under 1974 PA 263, MCL 141.861 to
16 141.867, in a contiguous county to provide for the promotion of
17 convention business or tourism.

18 (h) "Marketing program notice" means the notice described in
19 section 3.

20 **(I) "MASTER PLAN" MEANS THE COMPREHENSIVE, LONG-RANGE MASTER**
21 **PLAN DEVELOPED BY THE MICHIGAN TRAVEL COMMISSION AND THE TRAVEL**
22 **BUREAU UNDER SECTION 2C OF THE MICHIGAN TOURISM POLICY ACT, 1945 PA**
23 **106, MCL 2.102C.**

24 (J) ~~(i)~~—"Municipality" means a county with a population of
25 less than 650,000 or a city, village, or township within a county
26 with a population of less than 650,000.

27 (K) ~~(j)~~—"Owner" means the owner of a transient facility to be

1 served by the bureau or, if the transient facility is operated or
2 managed by a person other than the owner, then the operator or
3 manager of that transient facility.

4 (I) ~~(k)~~—"Room" means a room or other space provided for
5 sleeping that can be rented independently, including the
6 furnishings and other accessories in the room. Room includes, but
7 is not limited to, a condominium or time-sharing unit that,
8 pursuant to a management agreement, may be used to provide
9 dwelling, lodging, or sleeping quarters for a transient guest.

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
13 with the charge, and excluding reimbursement of the assessment
14 imposed by this act.

15 (N) ~~(m)~~—"Transient facility" means a building or combination
16 of buildings under common ownership, operation, or management that
17 contains 10 or more rooms used in the business of providing
18 dwelling, lodging, or sleeping to transient guests, whether or not
19 membership is required for the use of the rooms. Transient facility
20 does not include a college or school dormitory, a hospital, a
21 nursing home, or a facility owned and operated by an organization
22 qualified for an exemption from federal taxation under section
23 501(c) of the internal revenue code.

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

27 (P) **"TRAVEL BUREAU" MEANS THE MICHIGAN TRAVEL BUREAU CREATED**

1 UNDER SECTION 2A OF THE MICHIGAN TOURISM POLICY ACT, 1945 PA 106,
2 MCL 2.102A.

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

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

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

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