

Act No. 325
Public Acts of 1990
Approved by the Governor
December 20, 1990
Filed with the Secretary of State
December 21, 1990

**STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1990**

Introduced by Reps. Spaniola, Middaugh and Hillegonds

ENROLLED HOUSE BILL No. 5055

AN ACT to authorize the donation of certain property and artifacts to the department of state; to provide for state acceptance of the donated property and artifacts; to prescribe the powers and duties of the department of state in relation to the donated property and artifacts; to provide for the operation and administration of certain museums; to create museum advisory boards and prescribe the powers and duties of the boards; to create revolving trust funds and provide for the operation of those funds; to encourage establishment of recognized friends organizations; and to make appropriations to the department of state and provide for the expenditure of the appropriations.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the "Michigan museum act".

Sec. 2. As used in this act:

- (a) "Department" means the department of state.
- (b) "Durand" means the city of Durand, a home rule city situated in Shiawassee county.
- (c) "Maritime corporation" means the Lake Michigan maritime museum, inc., a nonprofit corporation, CID 706-436.
- (d) "Maritime museum" means the Michigan maritime museum situated in South Haven and operated under authority of this act.
- (e) "Maritime museum advisory board" means the Michigan maritime museum advisory board created by section 106.
- (f) "Maritime museum store" means the retail sales store located in the maritime museum, as authorized by section 108.
- (g) "Maritime museum trust fund" means the Michigan maritime museum trust fund created by section 108.
- (h) "Railroad corporation" means the grand trunk western railroad company, a Michigan corporation.
- (i) "Railroad history museum" means the Michigan railroad history museum situated in the Durand union station railroad depot and operated under authority of this act.
- (j) "Railroad history museum advisory board" means the Michigan railroad history museum and information center advisory board created by section 206.
- (k) "Railroad history museum store" means the retail sales store located in the railroad history museum, as authorized by section 208.

(l) "Railroad history museum trust fund" means the Michigan railroad history museum trust fund created by section 209.

(m) "South Haven" means the city of South Haven, a home rule city situated in Van Buren county.

(n) "Union station corporation" means the Durand union station, inc., a nonprofit corporation.

Sec. 3. The secretary of state shall consult with the attorney general concerning the form and content of all lease and rental agreements authorized by this act.

Sec. 101. (1) The department, on behalf of the state of Michigan, may accept as gifts all of the following:

(a) Real property and improvements on the real property, commonly known as the Lake Michigan maritime museum, free of any lease, and related personal property from the city of South Haven. The real property is described as follows:

Commencing on the southerly line of Dyckman Avenue at a point 31.5 feet northwesterly from the northwest corner of lot 2, block 8, thence south 17°-40' west 153 feet, thence north 47°-34' west 265 feet, thence south 23°-33' east 132.60 feet, thence north 22°-27'-50" east 265.14 feet, thence north 70°-27'-50" east 95.42 feet, thence south 61°-32'-10" east 263.36 feet, thence north 21°-51' east approximately 49.29 feet, thence north 68°-09' west 95 feet, thence north 21°-51' east 139 feet to the southerly line of Dyckman Avenue, thence northwesterly along said line to point of beginning, excepting any and all docks or finger piers located on or adjacent to, or connected to the foregoing described property. Said parcel is part of Dyckman and Woodman's Addition, City of South Haven, County of Van Buren, State of Michigan T1S, R17W.

(b) All of the historical artifacts and collections and any other personal property owned by the maritime corporation.

(2) Any liability of the maritime corporation, including, but not limited to, a lien against the real property described in subsection (1) that is outstanding and is identified to the department on the effective date of the transfer of the real property, shall be accepted by the department. A liability that is not identified to the department on the date of transfer or that arises subsequent to the date of transfer is not the responsibility of the department.

Sec. 102. (1) If the city of South Haven elects to make the gift specified in section 101, the city of South Haven shall deliver to the department a quitclaim deed for the real property described in section 101, subject to any and all encumbrances, easements, and restrictions of record at the time of transfer. The deed shall include a covenant that provides that the property shall be used exclusively as a maritime museum or public park, or both, and that upon termination of those uses or upon use for any other purpose, title to the property shall revert immediately to the city of South Haven. This covenant shall run with the land.

(2) If the maritime corporation elects to make the gift specified in section 101, the maritime corporation shall deliver to the department a memorandum of gift that describes each donated artifact or other property and includes maritime museum accession numbers.

(3) The quitclaim deed and memorandum of gift required by this section, and any other legal documents required to effect the transfers specified in section 101, shall be approved by the attorney general.

(4) If the department receives the real property described in section 101 and later elects to sell any of that property, the city of South Haven shall have the right of first refusal with respect to purchasing the property at its fair market value.

Sec. 103. (1) At the time of transfer, employees of the maritime corporation working at the maritime museum on the effective date of this act shall become employees of the department in accordance with a plan prepared by the department and approved by the department of civil service. The plan shall relate to compensation, classification, status, probationary periods, seniority, longevity, annual and sick leave, group insurance coverages, retirement, and other terms and conditions of employment.

(2) The sum of not to exceed \$25,000.00 is appropriated to the department from the general fund for the fiscal year ending September 30, 1991, and 2 full-time equated positions are authorized for the purposes of this section.

(3) Nothing in subsection (1) shall be construed to restrict the department from assigning new duties to, or otherwise transferring, a former employee of the maritime museum after the person becomes an employee of the department.

Sec. 104. (1) The department's bureau of history shall operate the maritime museum as part of its statewide museum system.

(2) The maritime museum shall be dedicated to maritime preservation and education.

(3) The programs undertaken at the maritime museum shall include research, restoration, and conservation efforts, with the intent of preserving and interpreting maritime history and culture, both in material and documentary forms.

(4) The regional emphasis of the maritime museum shall be on the Great Lakes area, with special attention given to the Lake Michigan coastal zone and the subject of the evolution of Great Lakes watercraft.

(5) The programs presented at the maritime museum may include those that recognize the effect of changes in the water, air, shoreline, and marine life upon the maritime history of the Great Lakes region and that promote a sense of awareness and understanding of Great Lakes environmental issues.

(6) The department may disseminate information concerning maritime matters to the public in relevant forms, including, but not limited to, maritime museum publications, seminars, special exhibits, and public presentations such as boat building classes.

(7) As part of its maritime museum program, the department may train persons in the areas of maritime research, interpretation, and preservation.

(8) The department shall maintain and operate a maritime library at the maritime museum. This program shall be known as the Marialyce Canonie Great Lakes research library.

(9) All documents, artifacts, vessels, and other history-related property given to the department under section 101 shall not at any time be permanently removed from the maritime museum, sold, or transferred.

Sec. 105. With respect to the maritime museum and in addition to its other powers and duties, the department may do any of the following:

(a) Act to preserve maritime documents, artifacts, vessels, and related items of historical interest.

(b) Accept on behalf of the state donations of money, real property, historical artifacts, and other personal property related to the themes of the maritime museum. Donations of money made under this subdivision shall be credited to the maritime museum trust fund.

(c) Purchase historical artifacts related to the themes of the maritime museum within the limits of funds available.

Sec. 106. (1) The Michigan maritime museum advisory board is created within the department.

(2) The maritime museum advisory board shall consist of 9 members appointed by the governor, including all of the following:

(a) Two representatives from the city of South Haven.

(b) One representative from the maritime corporation.

(c) One representative from the maritime industry.

(d) Two representatives from southwestern Michigan.

(e) Three representatives of the general citizenry of the state, at least 1 of whom shall be a resident of the Upper Peninsula.

(3) Each member of the maritime museum advisory board shall be a registered voter and a resident of this state. The governor may appoint 1 or more directors of the maritime corporation to serve on the maritime museum advisory board under subsection (2)(a), (c), (d), and (e).

(4) Not more than 5 members of the maritime museum advisory board shall be of the same political party at any 1 time.

(5) Except for members first appointed, each member of the maritime museum advisory board shall serve for a 4-year term. The initial term of office for the members first appointed under subsection (2) shall be determined at the first meeting of the maritime museum advisory board by the drawing of lots among the members with 3 members serving for 4 years, 3 members serving for 3 years, and 3 members serving for 2 years. Vacancies on the maritime museum advisory board shall be filled in the same manner as the original appointment for the remainder of the unexpired term.

(6) A member shall not receive compensation for his or her services as a member of the maritime museum advisory board, except for expenses incurred while acting as an official representative of the maritime museum advisory board, but not more than \$75.00 per day for not more than 24 days per calendar year. All claims for expenses shall be paid from the maritime museum trust fund pursuant to voucher submitted to the department of treasury.

(7) The members of the maritime museum advisory board annually shall elect a chairperson, vice-chairperson, and secretary.

(8) The maritime museum advisory board shall meet not less than twice each calendar year at the call of the chairperson. A majority of the members shall constitute a quorum for the transaction of business. A decision of

the maritime museum advisory board shall be made by majority vote of the members present and voting at a meeting of the maritime museum advisory board.

Sec. 107. (1) The maritime museum advisory board shall do all of the following:

(a) Advise the department as to construction of and policies, plans, acquisitions, and programs concerning the maritime museum.

(b) Facilitate cooperation between the department and public and private entities interested in maritime history and the programs of the maritime museum.

(c) Encourage donations of real and personal property to the department for purposes incidental to, or connected with, the maritime museum, including artifacts and vessels associated with maritime and Great Lakes history.

(d) Promote public use of the maritime museum and its programs.

(e) Make recommendations regarding fees and charges for products and services provided at the maritime museum.

(f) Provide other assistance and advice as may be required.

(2) The business that the maritime museum advisory board performs shall be conducted at a public meeting of the maritime museum advisory board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of each meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(3) A writing prepared, owned, used, in the possession of, or retained by the maritime museum advisory board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

Sec. 108. (1) In order to assist the funding of the maritime museum, the department may do all of the following:

(a) Charge a reasonable admission fee for entry into the maritime museum. The fee shall be established by the secretary of state and shall be reviewed annually.

(b) Establish and administer a retail sales store at the maritime museum. The maritime museum store may acquire and sell items that pertain to the collections maintained at the maritime museum or to the purpose of the maritime museum, or both. Items sold by the maritime museum store may be acquired by purchase, gift, or consignment and may be sold on a commission basis. The department is exempt from the provisions of section 261 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1261 of the Michigan Compiled Laws, when acquiring items intended for resale in the maritime museum store. A charge shall be established for each item offered for sale. The charge may include markups and discounts that are commensurate with industry practice. The department may accept cash, check, or credit card payments as compensation for items sold and shall determine which credit cards will be accepted for payment. The department may establish accounts in credit card banks for the deposit of credit card sales invoices and to pay discounts and service charges in connection with the use of credit cards. The department may purchase and place advertisements concerning items offered for sale at the maritime museum store. The maritime museum store may utilize the services of high school cooperative students and volunteers.

(c) Establish and operate a snack bar or other food and beverage service at the maritime museum and make reasonable charges for the items sold. The department may enter into agreements with a contractor or concessionaire to operate food and beverage concessions at the maritime museum. A food and beverage concession agreement entered into under authority of this subdivision shall require each contractor or concessionaire to conduct his or her business in good taste and in keeping with the theme of the maritime museum.

(2) The money collected under this section and section 105 shall be credited to a revolving fund that is created in the state treasury and shall be known as the Michigan maritime museum trust fund. Except as provided in subsection (3), money deposited in the maritime museum trust fund shall be used to defray the costs of operating the maritime museum, to purchase maritime museum store items, and for making capital and other substantial improvements to the maritime museum facilities. The department shall administer the maritime museum trust fund. The money in the maritime museum trust fund at the close of the fiscal year shall remain in the maritime museum trust fund.

(3) The sum of not to exceed \$37,500.00 is appropriated from the general fund to the department for the fiscal year ending September 30, 1991, for operational expenses of the Michigan maritime museum.

Sec. 109. The department may operate a maritime artifact conservation service at the maritime museum. If provided, the service may be made available to the general public and to state, federal, and local agencies. The

department may charge a reasonable fee for this service, including a markup that is commensurate with industry practice. Money received for conservation services shall be credited to the maritime museum trust fund.

Sec. 110. (1) The department shall encourage the creation of an officially recognized friends of the maritime museum organization designed to provide funding, promotional support, volunteer labor, and other forms of assistance to the maritime museum.

(2) If established, the officially recognized friends of the maritime museum organization may do all of the following:

(a) Make expenditures on behalf of the programs of the maritime museum, if such expenditures are requested by the department.

(b) Use the facilities of the maritime museum without charge upon receipt of written permission from the department to do so. Use of the maritime museum facilities shall be in keeping with the authorized purposes of the friends of the maritime museum organization, shall not be made at times and places that would unreasonably interfere with opportunities of the general public to use the facilities for established purposes, and shall be subject to the other provisions of this section.

(c) Engage in fund-raising activities at the maritime museum.

(d) Operate a maritime museum store or other sales facilities, or both, if the department enters into a concession agreement with the friends of the maritime museum organization.

(3) To qualify as the officially recognized friends of the maritime museum organization, an organization shall do all of the following:

(a) Incorporate under the laws of the state of Michigan.

(b) Operate on a nonprofit basis.

(c) Request written approval from the department, using procedures and forms prescribed by the department, to function as an officially recognized friends of the maritime museum organization.

(4) Except as provided in subsection (5), if an entity qualifies as the officially recognized friends of the maritime museum organization, the department shall issue a letter of certification recognizing the friends of the maritime museum organization's qualifications. The letter shall specify the conditions under which the friends of the maritime museum organization may make expenditures on behalf of the maritime museum and may include other appropriate provisions.

(5) Nothing in this section requires the department to certify a friends of the maritime museum organization that meets the qualifications prescribed in this section.

(6) The department may promulgate rules pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, to establish special conditions with which the friends of the maritime museum organization shall comply in order to use maritime museum facilities.

(7) The department shall not permit the use of museum facilities if the friends of the maritime museum organization fails to provide membership and employment opportunities to all persons regardless of race, color, religion, sex, age, national origin, or physical handicap.

Sec. 201. (1) The department, on behalf of the state of Michigan, may accept all of the following as gifts:

(a) From the city of Durand, the Durand union station railroad depot structure, situated in the city of Durand, Michigan, exclusive of any interest in the land upon which the structure is located.

(b) From the city of Durand, approximately 3.76 acres of land formerly owned by the Ann Arbor railroad and associated with the depot structure, more particularly described as follows:

Part of the northwest quarter of section 22, T6N, R4E, City of Durand, County of Shiawassee, State of Michigan, and further described as beginning at a point on the centerline of Ann Arbor Street (extended westerly) said point being south 89°44'55" west 91.40 feet from the intersection of said centerline of Ann Arbor Street with the west line of the plat of "M.V. RUSSELL'S THIRD ADDITION to the Village of Durand", thence continuing south 89°45'55" west along the centerline (extended westerly) 87.65 feet, thence south 02°24'50" west 259.22 feet to a point on a line which is 50 feet northeasterly of and parallel with the centerline of the company's main track, thence north 53°42'10" west parallel with said main track 180.02 feet, thence along a curve to the left with a long chord bearing and distance of north 40°52'39" west 334.57 feet, thence north 00°06'15" east 95.0 feet to a point on a line which is 83 feet southeasterly of and parallel with the centerline of the company's westbound track, thence north 71° east parallel with said westbound track 486.18 feet, thence south 00°26'45" east 353.48 feet to the point of beginning, containing 3.76 acres more or less, subject to all easements of record.

(c) From the city of Durand, artifacts and other personal property that pertain to the depot structure or railroading.

(d) From the union station corporation, artifacts and other personal property that pertain to the depot structure or railroading.

(e) From the union station corporation, any corporate funds that are earmarked for restoration of the structure and are held by the union station corporation on the date the depot structure is transferred to the state.

(f) From the railroad corporation, all real property and improvements on the real property with respect to approximately 72,200 square feet of land situated underneath and associated with the depot structure, more particularly described as follows:

Beginning at the intersection of the company's southerly property line and the east line of Railroad Street projected, said lines also being the company's common property lines with land owned by the city, formerly owned by the Ann Arbor railroad, thence northeasterly along said southerly property line 105 feet, thence northwesterly at right angles 61 feet to a point 8.5 feet from the centerline of the company's eastbound main track as measured at right angles, thence southwesterly parallel to said eastbound main track 375 feet to a point 8.5 feet from the centerline of the company's main track as measured at right angles, thence southeasterly parallel to said main track 522 feet, thence northeasterly 80 feet to a point on the company's common property line with land owned by the city, formerly owned by the Ann Arbor railroad, thence northwesterly along said common property line on a curve to the left 335 feet, thence northerly along said common property line 95 feet to the point of beginning, excluding the fenced area of the company's microwave tower site, containing a total area of 72,200 square feet, more or less.

(2) An encumbrance or lien against any of the real property or the structure described in subsection (1) that is outstanding and is identified to the department on the effective date of the gift of the real property shall be accepted by the department. A liability that is not identified to the department on the date of gift or that arises subsequent to the date of gift is not the responsibility of the department.

(3) If the railroad corporation declines to make the gift described in subsection (1)(f), the department may lease from the railroad corporation the real property described in subsection (1)(f). If entered, the lease shall extend for a term of not less than 25 years and shall contain a renewal clause.

Sec. 202. (1) If the city of Durand elects to make the gifts specified in section 201, the city of Durand shall deliver to the department a quitclaim deed for the structure and land described in section 201(1)(a) and (b), subject to any and all encumbrances, easements, and restrictions of record at the time of transfer. The deed shall include a covenant that provides that the property shall be used exclusively as a railroad history museum and that upon termination of those uses or upon use for any other purpose, title to the property shall revert immediately to the city of Durand. This covenant shall run with the land.

(2) If the railroad corporation elects to make the gift specified in section 201(1)(f), the railroad corporation shall deliver to the department a warranty deed that describes the property donated.

(3) The quitclaim and warranty deeds required by this section, and any other legal documents required to effect the transfers specified in section 201, shall be approved by the attorney general.

(4) If the department accepts the structure or land described in section 201(1)(a) and (b), or both, and later elects to sell that structure or land, the city of Durand shall have the right of first refusal with respect to purchasing the premises at its fair market value.

Sec. 203. (1) At the time of transfer, a project director who is under contract with the union station corporation and works at the railroad history museum on the effective date of this act shall become an employee of the department in accordance with a plan prepared by the department and approved by the department of civil service. The plan shall relate to compensation, classification, status, probationary periods, seniority, longevity, annual and sick leave, group insurance coverages, retirement, and other terms and conditions of employment.

(2) The sum of not to exceed \$25,000.00 is appropriated from the general fund to the department for the fiscal year ending September 30, 1991, and 2 full-time equated positions are authorized for the purposes of this section.

(3) Nothing in subsection (1) shall be construed to restrict the department from assigning new duties to, or otherwise transferring, a former project director at the railroad history museum after the person becomes an employee of the department.

Sec. 204. (1) The department's bureau of history shall operate the railroad history museum and associated premises as part of its statewide museum system.

(2) The railroad history museum shall be dedicated to recounting and interpreting the role of the railroad industry in the development of the social, economic, and human history of the state of Michigan.

(3) The programs undertaken at the railroad history museum may include research, restoration, and conservation efforts, with the intent of preserving and interpreting the documents, artifacts, engines, and rolling stock associated with the state's rail system.

(4) The department may disseminate information concerning the railroad industry in Michigan and how the railroad industry helped to build, shape, and define America and assisted in opening frontiers and industrializing Michigan. Information may be disseminated in any appropriate form, including, but not limited to, publications, seminars, special exhibits, and public presentations.

(5) As part of its railroad history museum program, the department may train persons in railroad industry research, interpretation, preservation, and conservation.

(6) The department may maintain and operate a railroad library and archives at the railroad history museum or at another facility acquired to operate in conjunction with the railroad history museum.

(7) All documents, artifacts, and other personal property given to the department under section 201 shall not at any time be permanently removed from the railroad history museum, sold, or permanently transferred to another museum.

Sec. 205. With respect to the railroad history museum and in addition to its other powers and duties, the department may do any of the following:

(a) Act to preserve documents, artifacts, engines, rolling stock, and related items of historical interest connected with railroading in Michigan.

(b) Accept on behalf of the state grants and donations of money, real property, historical artifacts, and other personal property related to the themes of the railroad history museum. Donations of money made under this subdivision shall be credited to the railroad history museum trust fund.

(c) Purchase historical artifacts related to the themes of the railroad history museum within the limits of the funds available.

Sec. 206. (1) The Michigan railroad history museum and information center advisory board is created within the department.

(2) The railroad history museum advisory board shall consist of 9 members appointed by the governor, including all of the following:

(a) One representative from the city of Durand.

(b) One representative from the union station corporation.

(c) One representative from the chamber of commerce of the city of Durand.

(d) One representative from the tourism council of the county of Shiawassee.

(e) One representative from the county historical society of the county of Shiawassee.

(f) One representative from the railroad industry.

(g) Three representatives of the general citizenry of the state, at least 1 of whom shall be a resident of the Upper Peninsula.

(3) Each member of the railroad history museum advisory board shall be a registered voter and a resident of this state.

(4) Not more than 5 members of the railroad history museum advisory board shall be of the same political party at any 1 time.

(5) Except for members first appointed, each member of the railroad history museum advisory board shall serve a 4-year term. The initial term of office for the members first appointed under subsection (2) shall be determined at the first meeting of the railroad history museum advisory board by the drawing of lots among the members with 3 members serving for 4 years, 3 members serving for 3 years, and 3 members serving for 2 years. Vacancies on the railroad history museum advisory board shall be filled in the same manner as the original appointment for the remainder of the unexpired term.

(6) A member shall not receive compensation for his or her services as a member of the railroad history museum advisory board, except for expenses incurred while acting as an official representative of the railroad history museum advisory board. However, a member shall not receive more than \$75.00 per day for not more than 24 days per calendar year for not more than 2 years. All claims for expenses shall be paid from the railroad history museum trust fund pursuant to a voucher submitted to the department of treasury.

(7) The members of the railroad history museum advisory board annually shall elect a chairperson, vice-chairperson, and secretary.

(8) The railroad history museum advisory board shall meet not less than twice each calendar year at the call of the chairperson. A majority of the members shall constitute a quorum for the transaction of business. A decision of the railroad history museum advisory board shall be made by majority vote of the members present and voting at a meeting of the railroad history museum advisory board.

Sec. 207. (1) The railroad history museum advisory board shall do all of the following:

(a) Advise the department as to the construction of and the policies, plans, acquisitions, and programs concerning the railroad history museum.

(b) Facilitate cooperation between the department and public and private entities interested in railroad history and the programs of the railroad history museum.

(c) Encourage donations of real and personal property to the department for purposes incidental to, or connected with, the railroad history museum, including artifacts, engines, and rolling stock associated with railroad history in Michigan.

(d) Promote public use of the railroad history museum and its programs.

(e) Make recommendations regarding fees and charges for products and services provided at the railroad history museum.

(f) Provide other assistance and advice as may be required.

(2) The business that the railroad history museum advisory board performs shall be conducted at a public meeting of the railroad history museum advisory board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of each meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(3) A writing prepared, owned, used, in the possession of, or retained by the railroad history museum advisory board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

Sec. 208. (1) In order to assist the funding of the railroad history museum, the department may do all of the following:

(a) Charge a reasonable fee for entry into the railroad history museum. If charged, the fee shall be set by the secretary of state and shall be reviewed annually.

(b) Establish and administer a retail sales store at the railroad history museum. The railroad history museum store may acquire and sell items that pertain to the collections maintained at the railroad history museum or the purpose of the railroad history museum, or both. Items sold by the railroad history museum store may be acquired by purchase, gift, or consignment and may be sold on a commission basis. The department is exempt from the provisions of section 261 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1261 of the Michigan Compiled Laws, when acquiring items intended for resale in the railroad history museum store. A charge shall be established for each item offered for sale. The charge may include markups and discounts that are commensurate with industry practice. The department may accept cash, check, or credit card payments as compensation for items sold and shall determine which credit cards will be accepted for payment. The department may establish accounts in credit card banks for the deposit of credit card sales invoices and to pay discounts and service charges in connection with the use of credit cards. The department may purchase and place advertisements concerning items offered for sale at the railroad history museum store. The railroad history museum store may utilize the services of high school cooperative students and volunteers.

(c) Establish and operate a snack bar or other food and beverage service at the railroad history museum and make reasonable charges for the items sold. The department may enter into agreements with a contractor or concessionaire to operate a food and beverage concession. A food and beverage concession agreement entered into under authority of this subdivision shall require each contractor or concessionaire to conduct his or her business in good taste and in keeping with the theme of the railroad history museum. The Michigan commission for the blind shall have priority to establish vending and cafeteria operations in the railroad history museum, as authorized by Act No. 260 of the Public Acts of 1978, being sections 393.351 to 393.368 of the Michigan Compiled Laws.

(d) Rent space on the railroad history premises of the museum to tasteful and appropriate history-oriented retail businesses, including, but not limited to, coin, stamp and antique dealers, and model railroad dealers. As consideration for space rented under this section, the department shall charge either 25% of the net profits of the business or the prevailing rate for the space rented. The department shall enter into a written rental agreement with each business specifying the term of the lease, which shall not exceed 1 year in duration, but

may contain a renewal clause, the agreed upon consideration, grounds for termination, and any other provisions the secretary of state considers necessary for the sound operation of the railroad history museum.

(e) Rent space on the premises of the railroad history museum to appropriate businesses that demonstrate a substantial need to engage in commerce at the railroad history museum site, including, but not limited to, amtrak or any successor to amtrak. The department shall enter into a written rental agreement with each business specifying the terms of the lease, which shall not exceed 10 years in length but may contain a renewal clause, the consideration, grounds for termination, and such other provisions as the secretary of state considers necessary for the sound operation of the railroad history museum and the business.

(f) Rent space on the premises of the railroad history museum to nonprofit businesses and entities whose purpose involve promoting the study of railroading, historic preservation in general, or Michigan history. The department may rent space under this subdivision at a rate reduced from the prevailing rate for comparable space in the area, but not below 50% of the prevailing rate. The department shall enter into a written rental agreement with each nonprofit business or entity specifying the terms of the lease, which shall not exceed 3 years in duration but may contain a renewal clause, the agreed upon consideration, grounds for termination, and any other provisions the secretary of state considers necessary for the sound operation of the railroad history museum.

(2) The department may rent space on the premises of the railroad history museum to a suitable restaurant. The restaurant shall agree to develop a decor relating to the theme of the railroad history museum that is subject to the approval of the secretary of state. As consideration for space rented under this subsection, the department shall charge 15% of the net profits of the restaurant. The department shall enter into a written rental agreement with the restaurant specifying the terms of the lease, which shall not exceed 3 years in duration but may contain a renewal clause, the agreed upon consideration, grounds for termination, and any other provisions the secretary of state considers necessary for the sound operation of the railroad history museum.

Sec. 209. (1) The money collected under this section and sections 205 and 208 shall be credited to a revolving fund that is created in the state treasury and shall be known as the Michigan railroad history museum trust fund. Except as provided in subsection (3), money deposited in the railroad history museum trust fund may be used to do any of the following:

- (a) Defray the costs of operating the railroad history museum.
- (b) Purchase artifacts, engines, and rolling stock for the collection of the railroad history museum.
- (c) Restore artifacts, engines, and rolling stock in the collection of the railroad history museum.
- (d) Advertise and pay for educational programs, special exhibits, and special events, including performers, presented at the railroad history museum.
- (e) Provide free materials to school groups.
- (f) Purchase items offered for sale at the railroad history museum store.
- (g) Make capital and other substantial improvements to the railroad history museum facilities.

(2) The department shall administer the railroad history museum trust fund. The money in the railroad history museum trust fund at the close of the fiscal year shall remain in the fund for use in a subsequent year and may not be expended for any purpose other than those enumerated in this act.

(3) The sum of not to exceed \$37,500.00 is appropriated from the general fund to the department for the fiscal year ending September 30, 1991, for operational expenses of the Michigan railroad history museum.

Sec. 210. (1) The department shall encourage the creation of an officially recognized friends of the depot organization designed to provide funding, promotional support, volunteer labor, and other forms of assistance to the railroad history museum.

(2) If established, the officially recognized friends of the depot organization may do all of the following:

(a) Make expenditures on behalf of the programs of the railroad history museum, if such expenditures are requested by the department.

(b) Use the facilities of the railroad history museum without charge upon receipt of written permission from the department to do so. Use of the railroad history museum facilities shall be in keeping with the authorized purposes of the friends of the depot organization, shall not be made at times and places that would unreasonably interfere with opportunities of the general public to use the facilities for established purposes, and shall be subject to the other provisions of this section.

(c) Engage in fund-raising activities at the railroad history museum.

(d) Furnish volunteer labor to perform services in the railroad history museum store and in connection with other programs at the railroad history museum.

(3) To qualify as the officially recognized friends of the depot organization, an organization shall do all of the following:

(a) Incorporate under the laws of the state of Michigan.

(b) Operate on a nonprofit basis.

(c) Request written approval from the department, using procedures and forms prescribed by the department, to function as an officially recognized friends of the depot organization.

(4) Except as provided in subsection (5), if an entity qualifies as the officially recognized friends of the depot organization, the department shall issue a letter of certification recognizing the organization's qualifications. The letter shall specify the conditions under which the friends of the depot organization may make expenditures on behalf of the railroad history museum and may include other appropriate provisions.

(5) Nothing in this section requires the department to certify a friends of the depot organization that meets the qualifications prescribed in this section.

(6) The department may promulgate rules pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, to establish special conditions with which the friends of the depot organization shall comply in order to use railroad history museum facilities.

(7) The department shall not permit the use of railroad history museum facilities if the friends of the depot organization fails to provide membership and employment opportunities to all persons regardless of race, color, religion, sex, age, national origin, or physical handicap.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved

Governor.