

HOUSE BILL No. 4205

February 3, 2005, Introduced by Rep. Virgil Smith and referred to the Committee on Agriculture.

A bill to amend 1978 PA 361, entitled "Michigan exposition and fairgrounds act," by amending sections 6 and 9 (MCL 285.166 and 285.169), as amended by 2004 PA 468.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 6. (1) The authority shall do all of the following:
- 2 (a) Conduct an annual state fair and other exhibits or events
- 3 for the purpose of promoting all phases of the economy of this
- 4 state. This fair and the exhibits or events shall encourage and
- 5 demonstrate agricultural, industrial, commercial, educational,
- 6 entertainment, tourism, technological, cultural, and recreational
- 7 pursuits.
- 8 (b) Lease the state exposition and fairgrounds, a portion of
- 9 the state exposition and fairgrounds, or a building on the state

1 exposition and fairgrounds for purposes considered by the
2 authority to be consistent with the staging of the state fair and
3 other exhibits or events. The authority may determine and impose
4 rental charges and other fees for the use or lease of the buildings
5 and grounds or a portion of the buildings and grounds. The
6 authority may lease properties to private and public organizations
7 for a period not to exceed 30 years for consideration established
8 by the authority. The authority may grant leases for all or a
9 portion of the state exposition and fairgrounds to private and
10 public organizations, conditional upon construction and
11 improvements according to plans approved by the authority to be
12 financed by the lessees, for terms not to exceed 30 years. The
13 authority may grant an extension of the lease term for not more
14 than an additional 20 years. The use of the state exposition and
15 fairgrounds, a portion of the state exposition and fairgrounds, or
16 a building on the state exposition and fairgrounds shall not
17 interfere with the preparation for or holding of the state fair and
18 other exhibits or events. Land, a building, or other property that
19 is leased under this subdivision to a for-profit business shall be
20 leased at fair market value. All leases and contracts entered into
21 under this act remain valid until the expiration of the term of the
22 lease or contract.

23 (c) Enter into contracts, subject to the requirements of the
24 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, to
25 conduct the annual state fair, exhibits, or other events, at the
26 state exposition and fairgrounds that enhance agricultural,
27 industrial, commercial, recreational, educational, entertainment,

1 tourism, technological, or cultural pursuits or government services
2 to citizens.

3 (2) The authority may enter into cooperative agreements,
4 contracts, or other agreements with 1 or more governmental entities
5 to use the personnel, services, or facilities of the governmental
6 entity to assist the authority with carrying out its duties under
7 this act and as otherwise provided by law.

8 (3) IN THE TIME PERIOD DURING WHICH THE ANNUAL STATE FAIR IS
9 NOT BEING CONDUCTED, THE AUTHORITY IS PROHIBITED FROM CONDUCTING OR
10 ALLOWING EITHER OF THE FOLLOWING ACTIVITIES:

11 (A) EXCEPT AS MAY OTHERWISE BE ALLOWED UNDER SECTIONS 12 AND
12 13, GAMING AS DEFINED IN SECTION 2 OF THE INITIATED LAW OF 1996,
13 MCL 432.202, AND RACING AND PARI-MUTUEL WAGERING CONDUCTED UNDER
14 THE HORSE RACING LAW OF 1995, 1995 PA 279, MCL 431.301 TO 431.336.

15 (B) OUTDOOR AUTOMOBILE OR OTHER MOTORIZED VEHICLE RACING.

16 Sec. 9. (1) A state exposition and fairgrounds authority shall
17 be governed by the 11-member authority board appointed under this
18 section. The authority board shall consist of the following
19 members:

20 (a) The director or a designated representative as an ex
21 officio voting member.

22 (b) The director of the department of agriculture or a
23 designated representative as an ex officio voting member.

24 (c) Nine members, not more than 5 of whom shall be members of
25 the same political party, appointed by the governor by and with the
26 consent of the senate. The term of office of each member in this
27 subdivision shall be 3 years except that, of the members first

1 appointed, 3 shall serve for 1 year, 3 shall serve for 2 years, and
2 3 shall serve for 3 years. The former state exposition and
3 fairgrounds council existing before March 1, 2005 is abolished. The
4 governor shall appoint the 9 appointed members to serve on the
5 authority board, and the terms of those members shall begin on
6 March 1, 2005. Members of the former council are eligible for
7 appointment to the authority board if otherwise qualified. It is
8 the intent of the legislature that the members of the authority
9 board represent all geographic areas of the state. The 9 appointed
10 members shall be chosen from the following categories:

- 11 (i) Three members representing agricultural interests.
- 12 (ii) One member representing the tourism industry in Michigan.
- 13 (iii) Two members of the general public.
- 14 (iv) One member representing organized labor.
- 15 (v) One member representing the business community.
- 16 (vi) One member representing county fairs.

17 **(2) OF THE 9 APPOINTED MEMBERS MEETING THE CRITERIA OF THE**
18 **CATEGORIES DESCRIBED IN SUBSECTION (1)(C)(i) THROUGH (vi), AT LEAST 1**
19 **MEMBER FROM ANY CATEGORY SHALL BE A RESIDENT OF EACH OF THE**
20 **FOLLOWING:**

- 21 **(A) DETROIT.**
- 22 **(B) FERNDALE.**
- 23 **(C) HAZEL PARK.**

24 **(3) —(2)—** Upon appointment to the authority board under
25 subsection (1), and upon the taking and filing of the
26 constitutional oath of office, a member of the authority board
27 shall enter the office and exercise the duties of the office.

1 (4) ~~-(3)-~~ Regardless of the cause of a vacancy on the
2 authority board, the governor shall fill a vacancy in the office of
3 a member of the authority board by appointment by and with the
4 advice and consent of the senate. A vacancy shall be filled for the
5 balance of the unexpired term. A member of the authority board
6 shall hold office until a successor has been appointed and has
7 qualified.

8 (5) ~~-(4)-~~ Members of the authority board and officers and
9 employees of the authority are subject to 1968 PA 317, MCL 15.321
10 to 15.330. A member of the authority board or an officer, employee,
11 or agent of the authority board shall discharge the duties of his
12 or her position in a nonpartisan manner, with good faith, and with
13 that degree of diligence, care, and skill that an ordinarily
14 prudent person would exercise under similar circumstances in a like
15 position. In discharging his or her duties, a member of the
16 authority board or an officer, employee, or agent of the authority
17 board, when acting in good faith, may rely upon the opinion of
18 counsel for the authority, upon the report of an independent
19 appraiser selected with reasonable care by the authority board, or
20 upon financial statements of the authority represented to the
21 member of the authority board, officer, employee, or agent to be
22 correct by the officer of the authority having charge of its books
23 or account, or stated in a written report by the auditor general or
24 a certified public accountant or the firm of the accountants fairly
25 to reflect the financial condition of the authority.

26 (6) ~~-(5)-~~ The authority board may adopt bylaws and policies
27 and procedures for conducting its business. Six members of the

1 authority board constitute a quorum for the transaction of
2 business. An action of the authority board requires a concurring
3 vote by 6 members of the authority board.

4 (7) ~~-(6)-~~ Authority board members shall serve without
5 compensation and shall receive reimbursement for actual and
6 necessary expenses.

7 (8) ~~-(7)-~~ The governor shall designate a member of the
8 authority board to serve as its chairperson, who shall serve as
9 chairperson at the pleasure of the governor. The authority board
10 shall annually select other officers from its membership.

11 (9) ~~-(8)-~~ The director and the director of the department of
12 agriculture shall not serve as officers of the authority board.

13 (10) ~~-(9)-~~ The authority board shall meet not less than 4
14 times per year.

15 (11) ~~-(10)-~~ At least 1 meeting of the authority board shall be
16 dedicated to soliciting input from the local neighborhood advisory
17 council established under section 15b, the surrounding communities,
18 and local units of government.