

Act No. 626
Public Acts of 2018
Approved by the Governor
December 28, 2018
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December 28, 2018
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**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Senators Schmidt and Horn

ENROLLED SENATE BILL No. 707

AN ACT to amend 1980 PA 395, entitled “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 the disbursement of the assessments; to establish the functions and duties of the department of commerce; and to prescribe remedies and penalties,” 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:

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 the disbursement of the assessments; to establish the oversight functions and duties of certain state departments, state agencies, and state employees; and to prescribe remedies and penalties.

Sec. 1a. (1) The legislature finds all of the following:

(a) Tourism is a major source of employment, income, and tax revenues in this state, and the expansion of the tourism industry is vital to the growth of the state’s economy.

(b) The tourism industry is important to this state, not only because of the number of people it serves and the vast human, financial, and physical resources it employs, but because of the benefits tourism and related activities confer on individuals and on society as a whole.

(c) State oversight and resources are needed to implement a coordinated and effective marketing program consistent with the master plan developed by this state to promote travel to, and within, this state under the Michigan tourism policy act, 1945 PA 106, MCL 2.101 to 2.103a, and to optimize the considerable investment of time, energy, capital, and resources being made by the tourism industry.

(d) This state can best undertake effective tourism marketing through the coordinated efforts of existing state government agencies in tourism promotion and private convention and tourism promotional bureaus who are better able than state agencies to market and promote their unique assessment districts, which will maximize the economic and employment benefits of the tourism industry to this state and its citizens.

(e) The coordinated efforts within this act to market and promote tourism represent a broader regulator scheme that does not impinge on an individual’s First Amendment rights.

(2) Nothing in this act shall be construed to do 1 or more of the following:

- (a) Restrain an owner or participant from communicating its own message or marketing plan.
- (b) Require any owner or participant to adopt any actual or symbolic speech.
- (c) Endorse or finance any political speech or ideological view.

Sec. 2. As used in this act:

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

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

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

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

(e) "Bureau" means a nonprofit corporation existing to promote convention business or tourism within this state or a portion of this state.

(f) "Director" means the president of the Michigan strategic fund or his or her designee.

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

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

(i) "Master plan" means the comprehensive, long-range master plan developed by the Michigan travel commission and the travel bureau under section 2c of the Michigan tourism policy act, 1945 PA 106, MCL 2.102c.

(j) "Municipality" means a county with a population of less than 650,000 or a city, village, or township within a county with a population of less than 650,000.

(k) "Owner" means the owner of a transient facility to be served by the bureau or, if the transient facility is operated or managed by a person other than the owner, then the operator or manager of that transient facility.

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

(m) "Room charge" means the charge imposed for the use or occupancy of a room, excluding charges for food, beverages, state use tax, telephone service, or like services paid in connection with the charge, and excluding reimbursement of the assessment imposed by this act.

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

(o) "Transient guest" means a natural person who occupies a room in a transient facility for less than 30 consecutive days regardless of who pays the room charge.

(p) "Travel bureau" means the Michigan travel bureau created under section 2a of the Michigan tourism policy act, 1945 PA 106, MCL 2.102a.

Sec. 7a. The board at regular intervals, but not less than twice per year, shall convene a formal meeting at which the board shall review its current annual marketing plan and its proposed annual marketing plan for the succeeding 1-year period. Once a year at these formal meetings, the board shall review and either approve or reject the proposed annual marketing plan. Subject to section 7b, an approved annual marketing plan shall be instituted by the bureau. A rejected marketing plan shall not be instituted by the bureau.

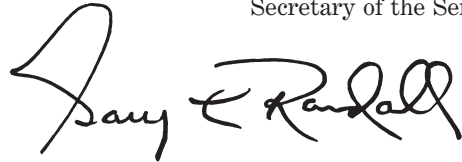
Sec. 7b. (1) The vice-president of the travel bureau and the president or chief administrative officer of the bureau shall meet periodically, but at least once each year, to discuss the master plan and the annual marketing plan approved by the board.

(2) The bureau and the travel bureau shall coordinate their marketing program activities and annual marketing plan activities with the master plan with a goal of maximizing the impact of tourism and convention business on the economy of this state.

(3) The director shall disapprove of the bureau's annual marketing plan within 30 days of the meeting provided for in subsection (1) upon finding that it is detrimental to the master plan or the travel bureau's promotional programs. The bureau shall not implement an annual marketing plan that is disapproved by the travel bureau. If the director does not disapprove of an annual marketing plan within the 30-day period, the annual marketing plan shall be considered approved and may be implemented by the bureau.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor