

SENATE BILL No. 1074

April 18, 2012, Introduced by Senator HUNE and referred to the Committee on Agriculture.

A bill to amend 1978 PA 361, entitled
"Michigan exposition and fairgrounds authority act,"
by amending sections 2, 4, 6, 7, 8, 9, 11, 12, 14a, and 15a (MCL
285.162, 285.164, 285.166, 285.167, 285.168, 285.169, 285.171,
285.172, 285.174a, and 285.175a), as amended by 2004 PA 468, and by
adding section 5a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 2. As used in this act:

(a) "Authority" means the state exposition and fairgrounds
authority created in section ~~9~~**4**.

(b) "Authority board" means the board for the authority
appointed under section 9.

(c) **"COMMISSION" MEANS THE COMMISSION OF AGRICULTURE AND RURAL
DEVELOPMENT.**

(D) ~~(e)~~—"Department" means the department of ~~management and~~

1 ~~budget.~~ AGRICULTURE AND RURAL DEVELOPMENT.

2 (E) ~~(d)~~—"Director" means the director of the department.

3 (F) ~~(e)~~—"Fund" means the state exposition and fairgrounds fund
4 created in section 14a.

5 (G) ~~(f)~~—"Manager" means the manager of the authority appointed
6 under section 4.

7 (H) "MICHIGAN STATE FAIR" MEANS THE MICHIGAN STATE FAIR AS
8 DESIGNATED ANNUALLY BY THE COMMISSION.

9 (I) "STATE EXPOSITION AND FAIRGROUNDS" MEANS THE STATE-OWNED
10 PROPERTY WHICH IS PART OF THE PROPERTY COMMONLY KNOWN AS THE
11 MICHIGAN STATE FAIRGROUNDS, IS LOCATED IN THE CITY OF DETROIT,
12 WAYNE COUNTY, MICHIGAN, AND IS FURTHER DESCRIBED AS FOLLOWS:

13 (i) A PARCEL OF LAND IN THE NE 1/4, NW 1/4 & SE 1/4 OF SECTION
14 2 AND THE NE 1/4 OF SECTION 3, T1S R11E, CITY OF DETROIT, WAYNE
15 COUNTY, MICHIGAN AND MORE PARTICULARLY DESCRIBED AS COMMENCING AT
16 THE NORTHWEST CORNER OF SAID SECTION 2; THENCE S01°59'26"E, 33.00
17 FEET TO THE NORTH LINE OF GERMANS MONTROSE PARK SUBDIVISION AND THE
18 SOUTH RIGHT OF WAY OF EIGHT MILE ROAD; THENCE N88°00'34"E, 1323.68
19 FEET, ON THE NORTH LINE OF GERMANS MONTROSE SUBDIVISION TO THE
20 NORTHEAST CORNER OF SAID SUBDIVISION AND THE POINT OF BEGINNING OF
21 THIS DESCRIPTION; THENCE N88°00'34"E, ON THE SOUTH RIGHT OF WAY
22 LINE OF EIGHT MILE ROAD, 1249.15 FEET, TO THE SOUTHWESTERLY RIGHT
23 OF WAY OF THE GRAND TRUNK WESTERN RAILROAD; THENCE ON SAID RIGHT OF
24 WAY ON THE NEXT FIVE CALLS; THENCE S31°13'25" E, 169.96 FEET;
25 THENCE S44°18'21"E, 110.43 FEET; THENCE S31°13'25"E, 2503.17 FEET;
26 THENCE S01°15'10"E, 40.04 FEET; THENCE S31°13'25"E, 226.77 FEET TO
27 THE CENTERLINE OF STATE FAIR AVENUE AND THE E-W 1/4 LINE OF SAID

1 SECTION 2; THENCE N89°08'56"E, ON SAID E-W 1/4 LINE, 17.39 FEET;
 2 THENCE S31°13'25"E, ON THE WESTERLY LINE OF THE GRAND TRUNK
 3 WESTERLY RAILROAD, 317.18 FEET; THENCE S88°52'19"W, 280.64 FEET;
 4 THENCE N01°19'28"W, 275.02 FEET TO THE E-W 1/4 LINE OF SAID SECTION
 5 2; THENCE S89°08'56"W, 1319.94 FEET, ON SAID E-W 1/4 LINE AND
 6 CENTERLINE OF STATE FAIR AVENUE TO THE CENTER OF SAID SECTION 2;
 7 THENCE S88°32'46"W, 1290.77 FEET, ON SAID E-W 1/4 LINE AND
 8 CENTERLINE OF STATE FAIR AVENUE; THENCE N01°32'55"W, 33.00 FEET TO
 9 THE NORTH LINE OF STATE FAIR AVENUE; THENCE S88°32'46"W, 692.91
 10 FEET, ON THE NORTH LINE OF STATE FAIR AVENUE TO THE NORTHEAST RIGHT
 11 OF WAY LINE OF WOODWARD AVENUE; THENCE N26°34'10"W, ON SAID
 12 WOODWARD AVENUE RIGHT OF WAY, 400.14 FEET: THENCE ALONG THE
 13 BOUNDARY OF THE DNR POCKET PARK THE FOLLOWING FIVE CALLS: THENCE
 14 N88°09'24"E, 291.51 FEET; THENCE N00°25'49", 252.35 FEET; THENCE
 15 S88°45'56"W, 169.82 FEET; THENCE N01°14'04"W, 13.00 FEET THENCE
 16 S88°25'45"W; 251.61 FEET TO THE NORTHEAST RIGHT OF WAY LINE OF
 17 WOODWARD AVENUE; THENCE N26°34'10"W, 1033.60 FEET, ON SAID WOODWARD
 18 AVENUE RIGHT OF WAY TO THE SOUTHWEST CORNER OF LOT #24, PLAT OF
 19 STATE FAIR SUBDIVISION #2; THENCE N88°21'23"E, 1382.91 FEET, ON THE
 20 SOUTH LINE OF SAID STATE FAIR SUBDIVISION #2; THENCE N01°41'24"W,
 21 1008.30 FEET, ON THE EAST LINE OF SAID STATE FAIR SUBDIVISION #2 &
 22 THE EAST LINE OF SAID GERMANS MONTROSE PARK SUBDIVISION TO THE
 23 POINT OF BEGINNING, CONTAINING 157.47 ACRES.

24 (ii) A PARCEL OF LAND IN THE NE 1/4 OF SECTION 2, T1S, R11E,
 25 CITY OF DETROIT, WAYNE COUNTY, MICHIGAN; THE BOUNDARY OF SAID
 26 PARCEL BEING DESCRIBED AS COMMENCING AT THE NORTH 1/4 CORNER OF
 27 SECTION 2, T1S, R11E, MICHIGAN MERIDIAN; THENCE N 88°00'34" E,

1 ALONG THE NORTH SECTION LINE, 30.11 FEET; THENCE S 31°13'25" E,
 2 ALONG THE NORTHEASTERLY RIGHT OF WAY OF THE GRAND TRUNK WESTERN
 3 RAILROAD, 1538.78 FEET TO THE POINT OF BEGINNING; THENCE N
 4 88°05'49" E, 537.23 FEET; THENCE S 01°15'10" E, 937.64 FEET; THENCE
 5 N 31°13'25" W, ALONG SAID RIGHT OF WAY LINE, 1075.34 FEET TO THE
 6 POINT OF BEGINNING; SAID PARCEL CONTAINS 5.78 ACRES.

7 (J) ~~(g)~~—"Type I transfer" means that term as defined in
 8 section 3 of the executive organization act of 1965, 1965 PA 380,
 9 MCL 16.103.

10 Sec. 4. (1) The Michigan exposition and fairgrounds authority
 11 is created as a public body corporate within the department. The
 12 authority shall be administered under the supervision of the
 13 department but shall exercise its prescribed statutory power,
 14 duties, and functions independently of the department.

15 (2) The activities, powers, duties, functions,
 16 responsibilities, and rule-making authority of the department ~~of~~
 17 ~~agriculture~~ related to the management of the state exposition and
 18 fairgrounds are transferred by type I transfer to the authority.

19 (3) All records, personnel, property, grants, and unexpended
 20 balances of appropriations, allocations, and other funds used,
 21 held, employed, available, or to be made available to the
 22 department ~~of agriculture~~ for the activities, powers, duties,
 23 functions, and responsibilities **RELATED TO THE STATE EXPOSITION AND**
 24 **FAIRGROUNDS** are transferred to the authority. ~~The state budget~~
 25 ~~director shall determine and authorize the most efficient manner~~
 26 ~~possible for handling financial transactions and records in the~~
 27 ~~state's financial management system for the remainder of the fiscal~~

1 ~~year ending September 30, 2005.~~

2 (4) The governor shall appoint a manager of the authority
3 subject to the advice and consent of the senate, who is exempt from
4 the classified state civil service. The manager shall serve at the
5 pleasure of the governor. The manager shall administer the business
6 operations of the state fair and the authority as provided in this
7 act. The manager shall receive compensation determined annually by
8 the authority. ~~The person serving as manager on February 28, 2005~~
9 ~~shall continue to serve at the pleasure of the governor.~~

10 **SEC. 5A. THE COMMISSION SHALL ANNUALLY IDENTIFY A LOCATION AND**
11 **THE DATE OR DATES FOR HOLDING A MICHIGAN STATE FAIR. THE DEPARTMENT**
12 **SHALL FACILITATE THE HOLDING OF THE MICHIGAN STATE FAIR. THE**
13 **MICHIGAN STATE FAIR AND RELATED EXHIBITS AND EVENTS SHALL PROMOTE**
14 **ALL PHASES OF THE ECONOMY OF THIS STATE AND SHALL ENCOURAGE AND**
15 **DEMONSTRATE AGRICULTURAL, INDUSTRIAL, COMMERCIAL, EDUCATIONAL,**
16 **ENTERTAINMENT, TOURISM, TECHNOLOGICAL, CULTURAL, AND RECREATIONAL**
17 **PURSUIITS AVAILABLE WITHIN THIS STATE.**

18 Sec. 6. (1) The authority shall do all of the following:

19 (a) ~~Conduct an annual state fair and other exhibits or events~~
20 ~~for the purpose of promoting all phases of the economy of this~~
21 ~~state. This fair and the exhibits or events shall encourage and~~
22 ~~demonstrate agricultural, industrial, commercial, educational,~~
23 ~~entertainment, tourism, technological, cultural, and recreational~~
24 ~~pursuits.~~ **ASSIST THE COMMISSION AND THE DEPARTMENT IN HOLDING THE**
25 **MICHIGAN STATE FAIR.**

26 (b) Lease the state exposition and fairgrounds, a portion of
27 the state exposition and fairgrounds, or a building on the state

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

24 (c) Enter into contracts, subject to the requirements of the
25 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, to
26 conduct the ~~annual~~ **MICHIGAN** state fair, **AND OTHER** exhibits ~~—~~or
27 other events ~~—~~at the state exposition and fairgrounds that enhance

1 agricultural, industrial, commercial, recreational, educational,
2 entertainment, tourism, technological, or cultural pursuits or
3 government services to citizens.

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

9 Sec. 7. (1) The authority annually shall present a report to
10 the governor, the legislature, and the department describing the
11 receipts or expenditures through appropriation, gift, grant, or
12 conveyance that have a material bearing on the operation of the
13 **MICHIGAN** state fair or the state exposition and fairgrounds.

14 (2) The authority shall be subject to annual post audits of
15 its financial transactions and accounts and to performance post
16 audits by the auditor general.

17 (3) The authority may promulgate rules governing the ~~conduct~~
18 **MANAGEMENT** of the ~~annual state fair and state exposition and~~
19 fairgrounds and the development and administration of the state
20 exposition and fairgrounds as a commercial, agricultural,
21 recreational, and multipurpose facility, pursuant to the
22 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
23 24.328. Any rules in effect on ~~the effective date of the amendatory~~
24 ~~act that added this sentence~~ **MARCH 1, 2005** shall remain in effect
25 until rescinded by the authority.

26 Sec. 8. The manager shall do all of the following:

27 (a) Be directly responsible to the authority.

1 (b) Be the chief administrative officer for the management and
2 operation of the state exposition and fairgrounds, and may enter
3 into contracts and leases, subject to the requirements of the
4 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, as
5 authorized by rule promulgated under this act.

6 (c) Have as a primary work station the site of the state
7 exposition and fairgrounds.

8 (d) Serve as an appointing authority for any necessary
9 personnel associated with the management and operation of the state
10 exposition and fairgrounds.

11 (e) Be responsible for the financial operation of the state
12 exposition and fairgrounds.

13 (f) Develop ideas and programs that enhance the operation and
14 functioning of the state exposition and fairgrounds.

15 (g) Be responsible for the preparation of the annual budget
16 for the state exposition and fairgrounds for presentation to the
17 department.

18 (h) Develop and present to the authority board for its
19 approval each of the following:

20 (i) A financial plan submitted annually.

21 (ii) A rolling 5-year operations plan submitted annually.

22 (iii) A facility and utility renovation plan, updated as
23 determined by the manager or as requested by the authority board.

24 (iv) A long-range master plan for authority facilities and the
25 state exposition and fairgrounds, updated as determined by the
26 manager or as requested by the authority board.

27 Sec. 9. (1) A state exposition and fairgrounds authority shall

1 be governed by the 11-member authority board appointed under this
2 section. The authority board shall consist of the following
3 members:

4 (a) The director or a designated representative as an ex
5 officio voting member.

6 (b) The director of the department of ~~agriculture~~**TECHNOLOGY,**
7 **MANAGEMENT, AND BUDGET** or a designated representative as an ex
8 officio voting member.

9 (c) Nine members, not more than 5 of whom shall be members of
10 the same political party, appointed by the governor by and with the
11 consent of the senate. The term of office of each member in this
12 subdivision shall be 3 years except that, of the members first
13 appointed, 3 shall serve for 1 year, 3 shall serve for 2 years, and
14 3 shall serve for 3 years. The former state exposition and
15 fairgrounds council existing before March 1, 2005 is abolished. The
16 governor shall appoint the 9 appointed members to serve on the
17 authority board, and the terms of those members shall begin on
18 March 1, 2005. Members of the former council are eligible for
19 appointment to the authority board if otherwise qualified. It is
20 the intent of the legislature that the members of the authority
21 board represent all geographic areas of the state. The 9 appointed
22 members shall be chosen from the following categories:

23 (i) Three members representing agricultural interests.

24 (ii) One member representing the tourism industry in Michigan.

25 (iii) Two members of the general public.

26 (iv) One member representing organized labor.

27 (v) One member representing the business community.

1 (vi) One member representing county fairs.

2 (2) Upon appointment to the authority board under subsection
3 (1), and upon the taking and filing of the constitutional oath of
4 office, a member of the authority board shall enter the office and
5 exercise the duties of the office.

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

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

1 a certified public accountant or the firm of the accountants fairly
2 to reflect the financial condition of the authority.

3 (5) The authority board may adopt bylaws and policies and
4 procedures for conducting its business. Six members of the
5 authority board constitute a quorum for the transaction of
6 business. An action of the authority board requires a concurring
7 vote by 6 members of the authority board.

8 (6) Authority board members shall serve without compensation
9 and shall receive reimbursement for actual and necessary expenses.

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

14 (8) The director and the director of the department of
15 ~~agriculture~~**TECHNOLOGY, MANAGEMENT, AND BUDGET** shall not serve as
16 officers of the authority board.

17 (9) The authority board shall meet not less than 4 times per
18 year.

19 (10) At least 1 meeting of the authority board shall be
20 dedicated to soliciting input from the local neighborhood advisory
21 council established under section 15b, the surrounding communities,
22 and local units of government.

23 Sec. 11. Except as otherwise provided in this act, the
24 authority board shall do all things necessary or convenient to
25 implement the purposes, objectives, and provisions of this act, and
26 the purposes, objectives, and powers delegated to the authority by
27 other laws or executive orders, including, but not limited to, all

1 of the following:

2 (a) Review and approve policies, including ~~dates for the fair~~
3 ~~and the budget~~ **FOR THE MICHIGAN STATE FAIR AND THE STATE EXPOSITION**
4 **AND FAIRGROUNDS.**

5 (b) Develop and submit to the department, the legislature, and
6 the governor on a yearly basis a rolling 5-year operational plan
7 and construction plan, including a master plan for the use of
8 buildings and the grounds **OF THE STATE EXPOSITION AND FAIRGROUNDS.**

9 (c) Report to the director, the legislature, and the governor
10 on the operating budget, capital improvements, programs, exhibits,
11 and other matters relevant to the state exposition and fairgrounds.

12 (d) Approve or authorize the manager to approve utilization of
13 the state exposition and fairgrounds, including its use as the site
14 for the ~~annual~~-**MICHIGAN** state fair, **IF THE COMMISSION DECIDES TO**
15 **HOLD THE MICHIGAN STATE FAIR AT THE STATE EXPOSITION AND**
16 **FAIRGROUNDS** and on any other matter which the authority may regard
17 as appropriate.

18 (e) Promote, encourage, and assist the manager in conducting
19 exhibits or other events at the state exposition and fairgrounds
20 that enhance agricultural, industrial, commercial, recreational,
21 educational, or cultural pursuits or government service to
22 citizens.

23 Sec. 12. (1) In staging the ~~annual~~-**MICHIGAN** state fair, the
24 authority, **AT THE DIRECTION OF THE DEPARTMENT,** may enter into
25 licensing agreements with concessionaires permitting games of skill
26 which shall be conducted in accordance with the following criteria:

27 (a) Winning the game of skill does not require great skill on

1 the part of the participant.

2 (b) The game does not constitute a fraud upon the
3 participants.

4 (c) The game is not similar to games of chance in which
5 winning depends primarily upon fortuitous or accidental
6 circumstances beyond the control of the participant including games
7 such as roulette, beano, cards, dice, or wheels of fortune and the
8 game does not include a mechanical or physical device that directly
9 or indirectly impedes, impairs, or thwarts the skill of the player.

10 (d) If the game is a group or contest participation game, each
11 participant shall be in attendance at the time the game is played
12 and shall actively participate throughout the entire game by
13 personally designating his or her target, goal, or desired
14 objective. A winner shall be determined by the skill of 1 or more
15 of the participants in the group or contest game, and each
16 participant shall be randomly selected. The distribution of prizes
17 shall be made in the presence of each participant at the time the
18 game is played.

19 (e) The prize has nominal value and is not redeemable or
20 convertible into cash, directly or indirectly.

21 (2) The department may promulgate rules pursuant to the
22 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
23 24.328, consistent with the criteria established in subsection (1)
24 to regulate the conduct of games of skill during the annual state
25 fair and to protect the public from unauthorized or dishonest
26 practices in conducting those games.

27 (3) The department may, after an administrative hearing held

1 pursuant to the administrative procedures act of 1969, 1969 PA 306,
2 MCL 24.201 to 24.328, revoke the licensing agreement of a
3 concessionaire if the department determines that **THE CONCESSIONAIRE**
4 **HAS DEFRAUDED** the public ~~is being defrauded, or that VIOLATED~~ this
5 act or a rule promulgated pursuant to this act. ~~is being violated.~~

6 (4) The department may promulgate rules pursuant to the
7 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
8 24.328, to permit the operation of a bingo or a millionaire party
9 permitted and licensed under the Traxler-McCauley-Law-Bowman bingo
10 act, 1972 PA 382, MCL 432.101 to 432.120. The authority may lease
11 facilities as a location within or at which an organization
12 qualified and licensed under that act may conduct bingo or a
13 millionaire party.

14 Sec. 14a. (1) The state exposition and fairgrounds fund is
15 created within the state treasury. The fund shall be administered
16 by the authority.

17 (2) The state treasurer shall direct the investment of the
18 fund. The state treasurer shall credit to the fund interest and
19 earnings from fund investments. The state treasurer may receive
20 money or other assets from any source for deposit into the fund.
21 Money generated from the operation of activities authorized by this
22 act shall be deposited into the fund.

23 (3) Money in the fund at the close of the fiscal year shall
24 remain in the fund and shall not lapse to the general fund.

25 (4) The authority shall submit an annual report to the
26 legislature and the department showing the amount of money received
27 under this act and how that money was spent.

1 (5) The money in the fund shall be expended pursuant to
2 appropriation of the legislature by the authority in the following
3 order of priority:

4 (a) Providing for ~~an annual~~ **THE MICHIGAN** state fair.

5 (b) Maintaining the state exposition and fairgrounds.

6 (c) Any other purpose authorized under this act.

7 Sec. 15a. The authority may demolish or permit the demolition
8 of any building or structure on the state exposition and
9 fairgrounds that is determined by the authority to be unsuitable
10 for uses consistent with the ~~holding of the state fair.~~ **PURPOSES OF**
11 **THE STATE EXPOSITION AND FAIRGROUNDS.**