

# SENATE BILL No. 705

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

A bill to amend 1989 PA 244, entitled "Regional tourism marketing act," by amending the title and section 2 (MCL 141.892) and by adding sections 1a, 7a, and 7b.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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TITLE

An act to promote tourism in certain regions of this state; to provide for the creation of tourism marketing programs; to provide for the imposition and collection of assessments on the owners of transient facilities to support tourism marketing programs; to provide for the disbursement of the assessments; to prescribe the **OVERSIGHT** powers and duties of certain **STATE DEPARTMENTS**, state agencies, and ~~officers~~; **STATE EMPLOYEES**; and to prescribe remedies

1 and penalties.

2 SEC. 1A. (1) THE LEGISLATURE FINDS ALL OF THE FOLLOWING:

3 (A) TOURISM IS A MAJOR SOURCE OF EMPLOYMENT, INCOME, AND TAX  
4 REVENUES IN THIS STATE, AND THE EXPANSION OF THE TOURISM INDUSTRY  
5 IS VITAL TO THE GROWTH OF THIS STATE'S ECONOMY.

6 (B) THE TOURISM INDUSTRY IS IMPORTANT TO THIS STATE, NOT ONLY  
7 BECAUSE OF THE NUMBER OF PEOPLE IT SERVES AND THE VAST HUMAN,  
8 FINANCIAL, AND PHYSICAL RESOURCES IT EMPLOYS, BUT BECAUSE OF THE  
9 BENEFITS TOURISM AND RELATED ACTIVITIES CONFER ON INDIVIDUALS AND  
10 ON SOCIETY AS A WHOLE.

11 (C) STATE OVERSIGHT AND RESOURCES ARE NEEDED TO IMPLEMENT A  
12 COORDINATED AND EFFECTIVE MARKETING PROGRAM CONSISTENT WITH THE  
13 MASTER PLAN DEVELOPED BY THIS STATE TO PROMOTE TRAVEL TO, AND  
14 WITHIN, THIS STATE UNDER THE MICHIGAN TOURISM POLICY ACT, 1945 PA  
15 106, MCL 2.101 TO 2.103A, AND TO OPTIMIZE THE CONSIDERABLE  
16 INVESTMENT OF TIME, ENERGY, CAPITAL, AND RESOURCES BEING MADE BY  
17 THE TOURISM INDUSTRY.

18 (D) THIS STATE CAN BEST UNDERTAKE EFFECTIVE TOURISM MARKETING  
19 THROUGH THE COORDINATED EFFORTS OF EXISTING STATE GOVERNMENT  
20 AGENCIES IN TOURISM PROMOTION AND PRIVATE CONVENTION AND TOURISM  
21 PROMOTIONAL BUREAUS WHO ARE BETTER ABLE THAN STATE AGENCIES TO  
22 MARKET AND PROMOTE THEIR UNIQUE ASSESSMENT DISTRICTS, WHICH WILL  
23 MAXIMIZE THE ECONOMIC AND EMPLOYMENT BENEFITS OF THE TOURISM  
24 INDUSTRY TO THIS STATE AND ITS CITIZENS.

25 (E) THE COORDINATED EFFORTS WITHIN THIS ACT TO MARKET AND  
26 PROMOTE TOURISM REPRESENT A BROADER REGULATOR SCHEME THAT DOES NOT  
27 IMPINGE ON AN INDIVIDUAL'S FIRST AMENDMENT RIGHTS.

1           (2) NOTHING IN THIS ACT SHALL BE CONSTRUED TO DO 1 OR MORE OF  
2 THE FOLLOWING:

3           (A) RESTRAIN AN OWNER OR PARTICIPANT FROM COMMUNICATING ITS  
4 OWN MESSAGE OR MARKETING PLAN.

5           (B) REQUIRE ANY OWNER OR PARTICIPANT TO ADOPT ANY ACTUAL OR  
6 SYMBOLIC SPEECH.

7           (C) ENDORSE OR FINANCE ANY POLITICAL SPEECH OR IDEOLOGICAL  
8 VIEW.

9           Sec. 2. As used in this act:

10           (a) "Assessment" means the amount levied against an owner  
11 under this act.

12           (b) "Assessment revenues" means the money collected by a  
13 regional marketing organization from the assessment, including any  
14 interest and penalties on the assessment, imposed under this act.

15           (c) "Board" means the board of directors elected by the  
16 members of a regional marketing organization.

17           (d) "Director" means the ~~director of commerce~~ **PRESIDENT OF THE**  
18 **MICHIGAN STRATEGIC FUND OR HIS OR HER DESIGNEE.**

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

23           (F) ~~(e)~~ "Owner" means the owner of a transient facility that  
24 is located within the regional assessment district or, if the  
25 transient facility is operated or managed by a person other than  
26 the owner, then the operator or manager of that transient facility.  
27 Owner includes a person electing to come under the provisions of

1 this act pursuant to section 9.

2 (G) ~~(f)~~—"Regional assessment district" means a region of this  
3 state composed of a number of counties in which a regional  
4 marketing organization operates. Regional assessment district does  
5 not include a portion of the region that is a special charter,  
6 fourth class city.

7 (H) ~~(g)~~—"Regional marketing organization" means a nonprofit  
8 corporation that promotes tourism within a region of this state.  
9 Regional marketing organization includes only an organization that  
10 has been operating for 10 or more years and that operates in a  
11 region composed of 15 counties.

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

18 (J) ~~(i)~~—"Room charge" means the charge imposed for the use or  
19 occupancy of a room, excluding charges for food, beverages, state  
20 use tax, telephone service, or like services paid in connection  
21 with the room charge, and reimbursement of the assessment as  
22 allowed in section 6.

23 (K) ~~(j)~~—"Transient facility" means a building or combination  
24 of buildings under common ownership, operation, or management that  
25 contains 10 or more rooms used in the business of providing  
26 dwelling, lodging, or sleeping to transient guests, whether or not  
27 membership is required for the use of the rooms. Transient facility

1 includes a building or combination of buildings, the owner of which  
2 has elected to come under the provisions of this act pursuant to  
3 section 9. Transient facility does not include a college or school  
4 dormitory; a hospital; a nursing home; a hospice; a building or  
5 combination of buildings that is otherwise a transient facility,  
6 but that is located within 1 mile of a ski lift as defined in  
7 section 2 of the ski area safety act of 1962, ~~Act No. 199 of the~~  
8 ~~Public Acts of 1962, being section 408.322 of the Michigan Compiled~~  
9 ~~Laws, 1962 PA 199, MCL 408.322~~; or a facility owned and operated by  
10 an organization qualified for an exemption from federal taxation  
11 under section 501(c) of the internal revenue code.

12 (I) ~~(k)~~—"Transient guest" means a **NATURAL** person who occupies  
13 a room in a transient facility for less than 30 consecutive days  
14 **REGARDLESS OF WHO PAYS THE ROOM CHARGE.**

15 (M) ~~(l)~~—"Tourism marketing program" means a program  
16 established by a regional marketing organization to develop,  
17 encourage, solicit, and promote tourism within a region of this  
18 state. The encouragement and promotion of tourism includes a  
19 service, function, or activity, whether or not performed,  
20 sponsored, or advertised by a regional marketing organization, that  
21 intends to attract transient guests to the regional assessment  
22 district.

23 (N) ~~(m)~~—"Tourism marketing program notice" means the notice  
24 described in section 3.

25 (O) **"TRAVEL BUREAU" MEANS THE MICHIGAN TRAVEL BUREAU CREATED**  
26 **UNDER SECTION 2A OF THE MICHIGAN TOURISM POLICY ACT, 1945 PA 106,**  
27 **MCL 2.102A.**

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

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

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

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

1 APPROVED AND MAY BE IMPLEMENTED BY THE REGIONAL MARKETING  
2 ORGANIZATION.