

Act No. 465  
Public Acts of 2018  
Approved by the Governor  
December 26, 2018  
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December 27, 2018  
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**STATE OF MICHIGAN  
99TH LEGISLATURE  
REGULAR SESSION OF 2018**

Introduced by Senators Schmidt and Horn

# **ENROLLED SENATE BILL No. 704**

AN ACT to amend 2010 PA 254, entitled “An act relating to the promotion of convention business and tourism in this state; to provide for regional tourism and convention marketing and promotion programs in certain areas; to provide for imposition and collection of assessments on the owners of transient facilities to support tourism and convention marketing and promotion programs; to provide for the disbursement of the assessments; to establish the functions and duties of certain state departments and employees; and to prescribe penalties and remedies,” by amending the title and section 2 (MCL 141.1432) and by adding sections 1a, 6a, and 6b.

*The People of the State of Michigan enact:*

## TITLE

An act relating to the promotion of convention business and tourism in this state; to provide for regional tourism and convention marketing and promotion programs in certain areas; to provide for imposition and collection of assessments on the owners of transient facilities to support tourism and convention marketing and promotion 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 penalties and remedies.

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 combination of 2 or more adjoining municipalities as described in a marketing program.

(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 of a bureau.

(e) "Bureau" means a nonprofit corporation incorporated under the laws of this state existing solely to promote convention business and tourism within this state or a portion of this state and that complies with all of the following:

(i) Has been actively engaged in promoting convention business and tourism for not less than 5 years.

(ii) Has a board of directors elected by its members.

(iii) Has a full-time chief executive officer and not fewer than 2 full-time equivalent employees.

(iv) Is a member of 1 or more nationally recognized associations of travel and convention bureaus.

(f) "Director" means the chief executive officer of the Michigan economic development corporation or his or her designee.

(g) "Marketing program" means a program established by a bureau to develop, encourage, solicit, and promote regional convention business and tourism within this state or a portion of this state within which the bureau operates. The encouragement and promotion of regional convention business and tourism shall include 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.

(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 more than 80,000 and less than 115,000 and that contains a city with a population of more than 35,000 and less than 45,000, at the time the marketing notice is filed with the director, and that shares a border with a county that levies a tax on accommodations under 1974 PA 263, MCL 141.861 to 141.867.

(k) "Owner" means the owner of a transient facility located within the assessment district 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, including the furnishings and other accessories in the room.

(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 reimbursement of the assessment imposed by this act.

(n) "Transient facility" means a building that contains 2 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. A transient facility shall not include a hospital or nursing home.

(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 for the room.

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

(q) "Use tax" means the tax imposed under the use tax act, 1937 PA 94, MCL 205.91 to 205.111.

Sec. 6a. 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 6b, an approved annual marketing plan shall be instituted by the bureau. A rejected marketing plan shall not be instituted by the bureau.

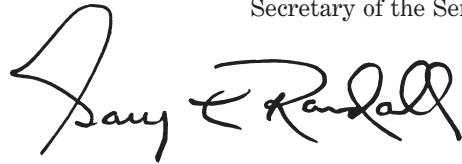
Sec. 6b. (1) The vice-president of the travel bureau and the president or chief administrative officer of the bureau shall meet periodically, but at least once each year, to discuss the master plan and the annual marketing plan approved by the board.

(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