MICHIGAN EXPOSITION AND FAIRGROUNDS AUTHORITY ACT

Act 361 of 1978

AN ACT to provide for the control and management of certain state exposition centers and fairgrounds; to create a state exposition center and fairgrounds authority and board within the department of management and budget; to prescribe the authority's and board's powers and duties; to provide for the appointment of a state exposition center and fairgrounds manager and to prescribe the manager's powers and duties; to designate the method of financing state exposition centers and fairgrounds; to create certain funds; to provide for appropriations; and to repeal acts and parts of acts.

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- 2004, Act 468, Imd. Eff. Dec. 28, 2004

The People of the State of Michigan enact:

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285.161 Short title.

Sec. 1.

This act shall be known and may be cited as the "Michigan exposition and fairgrounds authority act".

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005
Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibilities, including functions of budgeting, procurement, and management-related functions, of the State Exposition and Fairgrounds Office from the Office of the Director of the Department of Natural Resources to the Director of the Department of Commerce, see E.R.O. No. 1993-14, compiled at MCL 285.190 of the Michigan Compiled Laws.For transfer of authority, powers, duties, functions, and responsibilities, including functions of budgeting, procurement, and management-related functions, of the Director of the Department of Natural Resources and the Department of Natural Resources to the Director of the Department of Commerce, see E.R.O. No. 1993-14, compiled at MCL 285.190 of the Michigan Compiled Laws.

285.162 Definitions.

Sec. 2.

As used in this act:
(a) "Authority" means the state exposition and fairgrounds authority created in section 9.
(b) "Authority board" means the board for the authority appointed under section 9.
(c) "Department" means the department of management and budget.
(d) "Director" means the director of the department.
(e) "Fund" means the state exposition and fairgrounds fund created in section 14a.
(f) "Manager" means the manager of the authority appointed under section 4.
(g) "Type I transfer" means that term as defined in section 3 of the executive organization act of 1965, 1965 PA 380, MCL 16.103.

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2000, Act 39, Imd. Eff. Mar. 24, 2000 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.163 Fairs and uses of fairgrounds to which act inapplicable.

Sec. 3.

(1) This act does not apply to the Upper Peninsula state fair conducted under 1927 PA 89, MCL 285.141 to 285.145.

(2) This act does not apply to a fair conducted by a county of this state, or to a fair conducted under the official authorization of the county board of commissioners or other duly constituted county regional authority.

(3) This act shall not apply to uses of fairgrounds permitted under 1941 PA 80, MCL 285.151.

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.164 Michigan exposition and fairgrounds authority; creation; administration; transfer of certain powers and duties to the authority by type I transfer.

Sec. 4.

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

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

(3) All records, personnel, property, grants, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available, or to be made available to the department of agriculture for the activities, powers, duties, functions, and responsibilities are transferred to the authority. The state budget director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system for the remainder of the fiscal year ending September 30, 2005.

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

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005
Compiler's Notes: For transfer of position of manager of Michigan exposition and fairgrounds authority to department of management and budget, and abolishment of the position, see E.R.O. No. 2009-2, compiled at MCL 285.191.For transfer of Michigan exposition and fairgrounds authority to department of management and budget, and abolishment of the authority, see E.R.O. No. 2009-2, compiled at MCL 285.191.

285.165 Control vested in authority.

Sec. 5.

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The control of all land and other property held or acquired by this state or its people for the purpose of holding and conducting agricultural and industrial fairs and exhibitions is vested in the authority.

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2000, Act 39, Imd. Eff. Mar. 24, 2000 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.166 Powers and duties of authority.

Sec. 6.

(1) The authority shall do all of the following:

(a) Conduct an annual state fair and other exhibits or events for the purpose of promoting all phases of the economy of this state. This fair and the exhibits or events shall encourage and demonstrate agricultural, industrial, commercial, educational, entertainment, tourism, technological, cultural, and recreational pursuits.

(b) Lease the state exposition and fairgrounds, a portion of the state exposition and fairgrounds, or a building on the state exposition and fairgrounds for purposes considered by the authority to be consistent with the staging of the state fair and other exhibits or events. The authority may determine and impose rental charges and other fees for the use or lease of the buildings and grounds or a portion of the buildings and grounds. The authority may lease properties to private and public organizations for a period not to exceed 30 years for consideration established by the authority. The authority may grant leases for all or a portion of the state exposition and fairgrounds to private and public organizations, conditional upon construction and improvements according to plans approved by the authority to be financed by the lessees, for terms not to exceed 30 years. The authority may grant an extension of the lease term for not more than an additional 20 years. The use of the state exposition and fairgrounds, a portion of the state exposition and fairgrounds, or a building on the state exposition and fairgrounds shall not interfere with the preparation for or holding of the state fair and other exhibits or events. Land, a building, or other property that is leased under this subdivision to a for-profit business shall be leased at fair market value. All leases and contracts entered into under this act remain valid until the expiration of the term of the lease or contract.

(c) Enter into contracts, subject to the requirements of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, to conduct the annual state fair, exhibits, or other events, at the state exposition and fairgrounds that enhance agricultural, industrial, commercial, recreational, educational, entertainment, tourism, technological, or cultural pursuits or government services to citizens.

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

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2000, Act 39, Imd. Eff. Mar. 24, 2000 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.167 Annual report; annual audit; rules.

Sec. 7.

(1) The authority annually shall present a report to the governor, the legislature, and the department describing the receipts or expenditures through appropriation, gift, grant, or

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conveyance that have a material bearing on the operation of the state fair or the state exposition and fairgrounds.

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

(3) The authority may promulgate rules governing the conduct of the annual state fair and state exposition and fairgrounds and the development and administration of the state exposition and fairgrounds as a commercial, agricultural, recreational, and multipurpose facility, pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. Any rules in effect on the effective date of the amendatory act that added this sentence shall remain in effect until rescinded by the authority.

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2000, Act 39, Imd. Eff. Mar. 24, 2000 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005
Admin Rule: R 291.301 et seq. of the Michigan Administrative Code.

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285.168 Powers and duties of manager.

Sec. 8.

The manager shall do all of the following:

(a) Be directly responsible to the authority.

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

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

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

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

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

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

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

(i) A financial plan submitted annually.

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

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

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

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2000, Act 39, Imd. Eff. Mar. 24, 2000 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.169 State exposition and fairgrounds authority; board; membership; exercising duties of office; vacancy; discharge of duties; conduct of business; quorum; compensation and expenses; officers; meetings.

Sec. 9.

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

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

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

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

(i) Three members representing agricultural interests.

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

(iii) Two members of the general public.

(iv) One member representing organized labor.

(v) One member representing the business community.

(vi) One member representing county fairs.

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

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

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

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

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

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

(8) The director and the director of the department of agriculture shall not serve as officers of the authority board.

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

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

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2000, Act 39, Imd. Eff. Mar. 24, 2000 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

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285.170 Conducting business at public meeting; notice; availability of writings to public; employment of experts and officers; contracts with department.

Sec. 10.

(1) The business that the authority board may perform shall be conducted at a public meeting of the authority board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(2) A writing prepared, owned, used, in the possession of, or retained by the authority board or department in the performance of an official function shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) The authority may employ legal and technical experts and other officers, agents, or employees, permanent or temporary, paid from the funds of the authority. The authority shall determine the qualifications, duties, and compensation of those it employs consistent with requirements established by the civil service commission, but an employee shall not be paid a higher salary than the manager. The authority board may delegate to 1 or more members, officers, agents, or employees any powers or duties it considers proper.

(4) The authority may contract with the department for the purpose of maintaining and improving the rights and interests of the authority.

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.171 Powers and duties of authority board.

Sec. 11.

Except as otherwise provided in this act, the authority board shall do all things necessary or convenient to implement the purposes, objectives, and provisions of this act, and the purposes, objectives, and powers delegated to the authority by other laws or executive orders, including, but not limited to, all of the following:

(a) Review and approve policies, including dates for the fair and the budget.

(b) Develop and submit to the department, the legislature, and the governor on a yearly basis a rolling 5-year operational plan and construction plan, including a master plan for the use of buildings and the grounds.

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

(d) Approve or authorize the manager to approve utilization of the state exposition and fairgrounds, including its use as the site for the annual state fair, and on any other matter which the authority may regard as appropriate.

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

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2000, Act 39, Imd. Eff. Mar. 24, 2000 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.172 Annual state fair; licensing agreements with concessionaires permitting games of skill; criteria; rules; grounds for revocation of licensing agreement; hearing; rules and facilities for bingo or millionaire party.

Sec. 12.

(1) In staging the annual state fair, the authority may enter into licensing agreements with concessionaires permitting games of skill which shall be conducted in accordance with the following criteria:

(a) Winning the game of skill does not require great skill on the part of the participant.

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

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

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

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

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

(3) The department may, after an administrative hearing held pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, revoke the licensing agreement of a concessionaire if the department determines that the public is being defrauded, or that this act or a rule promulgated pursuant to this act is being violated.

(4) The department may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to permit the operation of a bingo or a millionaire party permitted and licensed under the Traxler-McCauley-Law-Bowman bingo act, 1972 PA

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382, MCL 432.101 to 432.120. The authority may lease facilities as a location within or at which an organization qualified and licensed under that act may conduct bingo or a millionaire party.

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.173 Inapplicability of MCL 750.301 to 750.315a; leasing facilities for bingo.

Sec. 13.

(1) Sections 301 to 315a of the Michigan penal code, 1931 PA 328, MCL 750.301 to 750.315a, do not apply to a person who conducts or participates in a game of skill pursuant to section 12 or the rules promulgated under that section.

(2) The department may lease its facilities as a location within or at which an organization qualified and licensed under the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.120, may conduct bingo.

History: 1978, Act 361, Imd. Eff. July 22, 1978 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.174 Repealed. 2000, Act 39, Imd. Eff. Mar. 24, 2000.

Compiler's Notes: The repealed section pertained to transfer of employees.

285.174a State exposition and fairgrounds fund; creation; disposition; annual report; expenditure.

Sec. 14a.

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

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

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

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

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

(a) Providing for an annual state fair.

(b) Maintaining the state exposition and fairgrounds.

(c) Any other purpose authorized under this act.

History: Add. 2000, Act 39, Imd. Eff. Mar. 24, 2000 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.175 Payments to exhibitors and vendors; appropriation; amount to Lake Superior state university for grant.

Sec. 15.

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(1) For the fiscal year ending September 30, 2004, there is appropriated $625,000.00 from the state exposition and fairgrounds fund for Michigan state fair payment of premiums to exhibitors and for payments due to vendors and others regarding outstanding invoices for the annual state fair held in calendar year 2004. Payment for premiums to exhibitors shall be made before payment to vendors and others.

(2) For the fiscal year ending September 30, 2005, there is appropriated $192,700.00 from the general fund to Lake Superior State University for an infrastructure, technology, equipment, and maintenance grant.

History: Add. 2004, Act 468, Imd. Eff. Dec. 28, 2004
Compiler's Notes: Former MCL 285.175, which pertained to transfer of state fair revolving fund, was repealed by Act 39 of 2000, Imd. Eff. Mar. 4, 2000.

285.175a Demolition of building or structure.

Sec. 15a.

The authority may demolish or permit the demolition of any building or structure on the state exposition and fairgrounds that is determined by the authority to be unsuitable for uses consistent with the holding of the state fair.

History: Add. 2000, Act 39, Imd. Eff. Mar. 24, 2000 ;-- Am. 2004, Act 468, Eff. Mar. 1, 2005

285.175b Publication of newsletter; posting minutes on website; establishment of local neighborhood advisory council.

Sec. 15b.

(1) The authority shall develop a newsletter to be published not less often than twice per calendar year for residents of the surrounding area of the state exposition and fairgrounds. The authority shall make the newsletter available electronically on its website and, if requested, by mail.

(2) The minutes of the meeting of the authority board shall be posted on the authority's website.

(3) The authority shall establish a local neighborhood advisory council for the purpose of public input on the authority's activities.

History: Add. 2004, Act 468, Eff. Mar. 1, 2005

285.176 Repealed. 2000, Act 39, Imd. Eff. Mar. 24, 2000.

Compiler's Notes: The repealed section pertained to repeal of MCL 291.1 to 291.11 and 291.21 to 291.37.

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