

Act No. 466
Public Acts of 2018
Approved by the Governor
December 26, 2018
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**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Senators Schmidt and Horn

ENROLLED SENATE BILL No. 705

AN ACT to amend 1989 PA 244, entitled "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 powers and duties of certain state agencies and officers; and to prescribe remedies and penalties," 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:

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 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 this 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 under this act.
- (b) "Assessment revenues" means the money collected by a regional marketing organization from the assessment, including any interest and penalties on the assessment, imposed under this act.
- (c) "Board" means the board of directors elected by the members of a regional marketing organization.
- (d) "Director" means the president of the Michigan strategic fund or his or her designee.
- (e) "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.
- (f) "Owner" means the owner of a transient facility that is located within the regional 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. Owner includes a person electing to come under the provisions of this act pursuant to section 9.
- (g) "Regional assessment district" means a region of this state composed of a number of counties in which a regional marketing organization operates. Regional assessment district does not include a portion of the region that is a special charter, fourth class city.
- (h) "Regional marketing organization" means a nonprofit corporation that promotes tourism within a region of this state. Regional marketing organization includes only an organization that has been operating for 10 or more years and that operates in a region composed of 15 counties.
- (i) "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.
- (j) "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 room charge, and reimbursement of the assessment as allowed in section 6.
- (k) "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 includes a building or combination of buildings, the owner of which has elected to come under the provisions of this act pursuant to section 9. Transient facility does not include a college or school dormitory; a hospital; a nursing home; a hospice; a building or combination of buildings that is otherwise a transient facility, but that is located within 1 mile of a ski lift as defined in section 2 of the ski area safety act of 1962, 1962 PA 199, MCL 408.322; 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.
- (l) "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.
- (m) "Tourism marketing program" means a program established by a regional marketing organization to develop, encourage, solicit, and promote tourism within a region of this state. The encouragement and promotion of tourism includes a service, function, or activity, whether or not performed, sponsored, or advertised by a regional marketing organization, that intends to attract transient guests to the regional assessment district.
- (n) "Tourism marketing program notice" means the notice described in section 3.
- (o) "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 regional marketing organization. A rejected marketing plan shall not be instituted by the regional marketing organization.

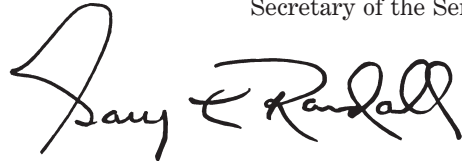
Sec. 7b. (1) The vice-president of the travel bureau and the president or chief administrative officer of the regional marketing organization shall meet periodically, but at least once each year, to discuss the master plan and the annual marketing plan approved by the board.

(2) The regional marketing organization 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 regional marketing organization'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 regional marketing organization 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 regional marketing organization.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor