

## **CONVENTION AND TOURISM MARKETING ACT**

### **Act 383 of 1980**

AN ACT relating to the promotion of convention business and tourism in this state and the major metropolitan areas of this state; to provide for tourism and convention marketing programs in major metropolitan areas through nonprofit convention and tourist bureaus; to provide for imposition and collection of assessments on the owners of transient facilities to support tourism and convention marketing programs; to provide for the disbursement of the assessments; to establish the functions and duties of the department of commerce; and to prescribe remedies and penalties.

**History:** 1980, Act 383, Imd. Eff. Jan. 2, 1981.

*The People of the State of Michigan enact:*

#### **141.881 Short title.**

Sec. 1. This act shall be known and may be cited as the “convention and tourism marketing act”.

**History:** 1980, Act 383, Imd. Eff. Jan. 2, 1981.

#### **141.882 Definitions.**

Sec. 2. As used in this act:

(a) “Assessment district” means a county having a population of more than 1,500,000 and, if so designated by the bureau in the marketing program notice, any county or counties contiguous with it.

(b) “Assessment revenues” means the money derived from the assessment, including any interest and penalties on the assessment, imposed by this act.

(c) “Board” means the board of directors of a bureau.

(d) “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 which complies with all of the following:

(i) Has not less than 400 dues paying members, of which not less than 50 are owners of transient facilities.

(ii) Has been actively engaged in promoting convention business and tourism for not less than 10 years.

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

(iv) Has a full-time chief operating officer and not less than 10 full-time employees.

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

(e) “Director” means the director of the department of commerce.

(f) “Marketing program” means a program established by a bureau to develop, encourage, solicit, and promote convention business and tourism within this state or a portion of this state within which the bureau operates. The encouragement and promotion of convention business and tourism shall include any service, function, or activity, whether or not performed, sponsored, or advertised by a bureau which intends to attract transient guests to the assessment district.

(g) “Marketing program notice” means the notice described in section 3.

(h) “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.

(i) “Room” means a room or other space provided for sleeping, including the furnishings and other accessories in the room.

(j) “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.

(k) “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.

(l) “Transient facility” means a building which contains 35 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.

(m) “Transient guest” means a person who occupies a room in a transient facility for less than 30 consecutive days.

**History:** 1980, Act 383, Imd. Eff. Jan. 2, 1981.

#### **141.883 Marketing program notice; contents; assessment; mailing copy of notice to owner of**

**transient facility; referendum.**

Sec. 3. (1) A bureau which has its principal place of business in a county having a population of more than 1,500,000 may file a marketing program notice with the director. The notice shall state that the bureau proposes to create a marketing program under this act and cause an assessment to be collected from owners of transient facilities within the assessment district to pay the costs of the program.

(2) The marketing program notice shall describe the structure, history, membership, and activities of the bureau in sufficient detail to enable the director to determine if the bureau satisfies all of the requirements of section 2(d).

(3) The marketing program notice shall describe the marketing program to be implemented by the bureau with the assessment revenues, specify the amount of the assessment proposed to be levied which shall not exceed 2% of the room charges in the applicable payment period, and the county or counties comprising the assessment district. A county shall not be included in the marketing program notice and the assessment district specified in the notice if on the date the notice is mailed the county is collecting a tax pursuant to Act No. 263 of the Public Acts of 1974, being sections 141.861 to 141.867 of the Michigan Compiled Laws.

(4) Simultaneously with the filing of the marketing program notice with the director, the bureau shall cause a copy of the notice to be mailed by registered or certified mail to each owner of a transient facility located in the assessment district specified in the notice in care of the respective transient facility. In assembling the list of owners to whom the notices shall be mailed, the bureau shall use any data which is reasonably available to the bureau.

(5) The form of the marketing program notice, in addition to the information required by subsections (1), (2), and (3), shall set forth the right of referendum prescribed in subsection (6).

(6) The assessment set forth in the notice shall become effective on the first day of the month following the expiration of 40 days after the date the notice is mailed, unless the director, within the 40-day period, receives written requests for a referendum by owners of transient facilities located within the assessment district representing not less than 40% of the total number of owners or not less than 40% of the total number of rooms in all the transient facilities.

(7) If the director receives referendum requests in the time and number set forth in subsection (6), the director shall cause a written referendum to be held by mail or in person, as the director chooses, among all owners of transient facilities in the assessment district within 20 days after the expiration of the 40-day period. For the purposes of the referendum, each owner of a transient facility shall have 1 vote for each room in each of the owner's transient facilities within the assessment district. If a majority of votes actually cast at the referendum approve the assessment, as proposed by the bureau in its marketing program notice, the assessment shall become effective as to all owners of transient facilities located in the assessment district on the first day of the month following expiration of 30 days after certification of the results of the referendum by the director. If a majority of votes actually cast at the referendum are opposed to the assessment, the assessment shall not become effective. If the assessment is defeated by the referendum, the bureau may file and serve a new notice of intention if at least 60 days have elapsed from the date of certification of the results of the earlier referendum. Not more than 2 referenda or notices may be held pursuant to this subsection or filed pursuant to this section in any 1 calendar year. Only 1 assessment may be in existence in an assessment district, or any part of an assessment district, at any 1 time.

**History:** 1980, Act 383, Imd. Eff. Jan. 2, 1981.

**141.884 Marketing program; contents.**

Sec. 4. A marketing program may include all or any of the following:

(a) Provisions for establishing and paying the costs of advertising, marketing, and promotional programs to encourage convention business and tourism in the assessment district.

(b) Provisions for assisting transient facilities within the assessment district in promoting convention business and tourism.

(c) Provisions for the acquisition of personal property considered appropriate by the bureau in furtherance of the purposes of the marketing program.

(d) Provisions for the hiring of and payment for personnel employed by the bureau to implement the marketing program.

(e) Provisions for contracting with organizations, agencies, or persons for carrying out activities in furtherance of the purposes of the marketing program.

(f) Programs for establishing and paying the costs of research designed to encourage convention business and tourism in the assessment district.

**History:** 1980, Act 383, Imd. Eff. Jan. 2, 1981.

**141.885 Assessment; payment; statement of room charges; reimbursement from room charges; verification and audit of owner's assessment payments; state use tax returns; unpaid assessments; interest and delinquency charges; suit to collect; notice.**

Sec. 5. (1) Upon the effective date of an assessment, each owner of a transient facility in the assessment district shall be liable for payment of the assessment, computed using the percentage set forth in the marketing program notice. The assessment shall be paid by the owner of each such transient facility to the bureau within 30 days after the end of each calendar month, and shall be accompanied by a statement of room charges imposed with respect to the transient facility for that month. This act shall not prohibit a transient facility from reimbursing itself by adding the assessment imposed pursuant to this act to room charges payable by transient guests, provided the transient facility discloses that it has done so on any bill presented to a transient guest.

(2) Within 30 days after the close of each calendar quarter, each owner within an assessment district shall forward to the independent certified public accountants who audit the financial statements of the bureau, copies of its state use tax returns for the preceding quarter. These copies of the state use tax returns shall be used solely by the certified public accountants to verify and audit the owner's payment of the assessments, and shall not be disclosed to the bureau except as necessary to enforce this act.

(3) Interest shall be paid by an owner to the bureau on any assessments not paid within the time called for under this act. The interest shall accrue at the rate of 1.5% per month. Owners delinquent for more than 90 days in paying assessments, in addition to the 1.5% interest, shall pay a delinquency charge of 10% per month or fraction of a month on the amount of the delinquent assessments. The bureau may sue in its own name to collect the assessments, interest, and delinquency charges.

(4) The owner of a transient facility shall not be liable for payment of an assessment until a notice has been mailed to the transient facility of the owner pursuant to section 3(4).

**History:** 1980, Act 383, Imd. Eff. Jan. 2, 1981.

**141.886 Assessment revenues not state funds; deposit and disbursement; financial statements; audit; report; copies.**

Sec. 6. (1) The assessment revenues collected pursuant to this act shall not be state funds. The money shall be deposited in a bank or other depository in this state, in the name of the bureau, and disbursed only for the expenses properly incurred by the bureau with respect to the marketing programs developed by the bureau under this act.

(2) The financial statements of the bureau shall be audited at least annually by a certified public accountant. A copy of the audited financial statements shall be mailed to each owner not more than 150 days after the close of the bureau's fiscal year. The financial statements shall include a statement of all assessment revenues received by the bureau during the fiscal year in question and shall be accompanied by a detailed report, certified as correct by the chief operating officer of the bureau, describing the marketing programs implemented or, to the extent then known, to be implemented by the bureau.

(3) Copies of the audited financial statements and the certified report shall simultaneously be mailed to the director.

**History:** 1980, Act 383, Imd. Eff. Jan. 2, 1981.

**141.887 Advisory committee; election and terms of members; formal meetings; review of proposed marketing program; approval or rejection; recommendations; board of directors.**

Sec. 7. (1) Upon the effective date of the establishment of an assessment under this act, the bureau shall cause an advisory committee to be elected consisting of representatives of the owners of transient facilities located within the assessment district, together with the director or the director's designated representative.

(2) The advisory committee shall consist of not less than 9 nor more than 15 persons, at least 1 of whom shall not be affiliated with a bureau member. The advisory committee shall include at least 3 persons from each county within the assessment district, at least 1 of whom, from each county, is affiliated with a transient facility of 75 rooms or less. Procedures for the election and terms of the office of the members of the advisory committee shall be established by the bureau.

(3) The bureau at regular intervals, but not less than quarterly, shall cause a formal meeting of the advisory committee to be held at which the bureau shall present its current and proposed marketing programs. At these formal meetings the advisory committee shall review and either approve or reject any proposed marketing programs. An approved marketing program shall be instituted by the bureau. A rejected marketing program shall not be instituted by the bureau.

(4) The advisory committee may make recommendations to the bureau and the board from time to time

with respect to current or proposed marketing programs.

(5) The bureau shall cause to be elected to its board of directors, from the members of the advisory committee, 1 person from each of the counties within the assessment district.

**History:** 1980, Act 383, Imd. Eff. Jan. 2, 1981.

**141.888 Discontinuance of assessment; referendum; proposing new marketing program notice; failure to adopt resolution discontinuing assessment; further referendum.**

Sec. 8. (1) At any time 2 years or more after the effective date of an assessment, and upon the written request of owners of transient facilities located within the assessment district representing not less than 40% of the total number of owners or not less than 40% of the total number of rooms in all the transient facilities, the bureau shall conduct a referendum on whether the assessment shall be discontinued. The bureau shall cause a written referendum to be held by mail or in person, as the bureau chooses, among all owners of transient facilities in the assessment district within 60 days of the receipt of the requests. For the purposes of the referendum, each owner shall have 1 vote for each room in each of the owner's transient facilities within the assessment district. If a majority of the total votes eligible to be cast at the referendum supports discontinuance of the assessment, the assessment shall be discontinued on the first day of the month following expiration of 90 days after the certification of the results of the referendum by the bureau.

(2) Passage of a resolution discontinuing the assessment shall not prevent a bureau from proposing a new marketing program notice during or after the 90-day period, in which case the procedures set forth in section 3 shall be followed.

(3) If a referendum is conducted under subsection (1), and if a resolution to discontinue the assessment is not adopted, a further referendum on the discontinuation of that assessment shall not be held for a period of 2 years.

**History:** 1980, Act 383, Imd. Eff. Jan. 2, 1981.

**141.889 Effective date.**

Sec. 9. This act shall take effect January 1, 1981.

**History:** 1980, Act 383, Imd. Eff. Jan. 2, 1981.