



**House
Legislative
Analysis
Section**

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STATE TOURISM POLICY ACT

AS ENROLLED

House Bill 4808 as introduced
First Analysis (6-15-93)

Sponsor: Rep. Beverly Bodem
Committee: Tourism & Recreation

THE APPARENT PROBLEM:

Public Act 106 of 1945 is the enabling act for the Michigan Travel Bureau and the Michigan Travel Commission, both of which work to promote tourism within a state whose tourism industry currently ranks among the largest in the nation. Although the bureau and commission perform a number of different tasks related to promoting Michigan as a tourist destination, some people feel changes are needed relative to the way they work together, not only in devising ways to lure tourists here but also in determining whether the marketing tactics used are, in fact, accomplishing their purposes. Moreover, because of the relative importance of tourism to the state's economy (it contributes well over \$1 billion to the state and its communities annually), some argue that the bureau and commission should be required to develop a long-range master plan that identifies goals for improving the state's tourism industry and programs that could accomplish them, and that such a plan should be updated occasionally to reflect marketing techniques and programs that are standard within the industry. Legislation has been introduced that would address these and other concerns related to the roles of the bureau and commission in promoting Michigan as a destination for tourists from within and outside the state.

THE CONTENT OF THE BILL:

The bill would rename the act the "Michigan Tourism Policy Act," and would assign to the bureau and commission certain functions related to the long-term development and promotion of the state's tourism industry. Specifically, the bill would require them, in consultation with each other and certain divisions of the Department of Commerce, to develop a comprehensive, long-range master plan for a period of at least two years and not more than five years that identified certain goals related to tourism development and programs to implement the goals. The master plan would have to be updated by the bureau, the commission and the

appropriate divisions of the commerce department as necessary.

New Bureau Activities. In addition to other activities, the bill would require the travel bureau to do all of the following:

- * Before funding a promotional effort, identify and document those benefits to the state that the bureau determined were likely to result from the promotional effort;

- * Withhold funds for any proposed promotional effort that the bureau felt would not likely benefit the state's travel industry or conform with the master plan's goals;

- * If it spent funds for a promotional effort, identify and document the actual benefits, if any, to the state that resulted from that effort;

- * To the "maximum extent feasible," make travel to and within the state easier;

- * Occasionally convene interagency committees that consisted of representatives of state governmental units that could be required to devise recommendations to identify and solve tourism problems; and

- * Provide informational assistance and guidance to regional, county and city tourism development organizations and similar private organizations in planning programs to attract visitors.

The bill also would require the bureau to develop within the commerce department a formal, written policy governing travel bureau employee acceptance of free meals or lodging, and implement the policy within one year of the bill's effective date. Beginning one year after the bill took effect, the bureau would have to submit to the commission, the governor and the legislature an annual report that contained 1) a statement identifying and analyzing

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expenditures authorized by the bureau during the previous 12 months, and a summary of the results of those expenditures, and 2) a tourism marketing plan for the next fiscal year. Language requiring the bureau to do various things (conduct tourism planning and research studies for marketing purposes, encourage the development of tourism facilities and activities, provide basic support and discretionary grants to local and regional agencies for tourism development, and the like) would be deleted.

New Commission Duties. The travel commission, in addition to certain other duties (i.e., promulgating rules, conducting public hearings), would have to:

- * Assist the bureau in developing the master plan;
- * Annually assess the bureau's activities and accomplishments, and convey each assessment in writing to the commerce department director;
- * Work to the maximum extent practicable with those private associations, nonprofit corporations, organizations or other private entities that promote tourism in Michigan; and
- * Withhold expenditure of funds otherwise authorized under the act if the bureau felt that the proposed expenditure was for an activity that did not conform with the master plan's goals, or did not benefit the state's travel industry.

The bill would delete language that currently requires the commission to develop marketing and advertising strategies and bureau priorities for travel promotion development, and prepare detailed annual reports to the commerce department director relative to the bureau's programs, policies and accomplishments. Also, the bill would allow the commission, in cooperation with the bureau, to convene committees consisting of qualified professionals and experts in various segments of the tourism industry that could be required to aid in the preparation of, or revision of, all or part of a marketing plan.

Other Provisions. The bill would require the 13-member commission to meet at least quarterly, or more frequently if requested by eight or more commissioners, or at the call of the chair. A majority of the commission would constitute a quorum for the transaction of commission business, and a majority of members present and serving

would be required for the commission to take official action. Commission business would have to be conducted at a public meeting as required under the Open Meetings Act, and a document prepared, owned, used, in the possession of, or retained by it in an official capacity would be subject to the Freedom of Information Act.

MCL 2.101 et al.

FISCAL IMPLICATIONS:

The House Fiscal Agency says the bill would not affect state or local budget expenditures, as the travel bureau and travel commission should be able to perform the new duties proposed in the bill using current resources. (6-14-93)

ARGUMENTS:

For:

The bill would refocus the attention given to tourism by state officials by revising some of the tasks performed by the travel bureau and travel commission in order to ensure that Michigan's tourism industry remains strong and continues to attract visitors from the state and the nation, and from throughout the world. Tourism generates a significant amount of revenue for the state and its local communities, especially during the summer months. The bill not only would alter some of the functions performed by the bureau and commission, but would ensure that goals be set for strengthening the state's tourist industry and programs be created that could implement and bring to fruition those goals. Of particular importance would be the requirement that the bureau and commission, in conjunction with certain divisions within the commerce department, develop a comprehensive plan for tourism covering a two- to five-year period, and that once developed they update it occasionally to reflect current trends and standards within the tourism marketing industry. Because much of what goes into promoting tourism involves the use of technology that is ever-changing, it seems wise to statutorily provide for a long-range tourism marketing plan to be updated every so often. By requiring the bureau and commission to both look ahead when making goals and then look back to determine if those goals had been met, the bill should help ensure that Michigan's tourism industry remains healthy well into the future.

Against:

According to testimony provided by a spokesman for the travel bureau before the House Tourism and Recreation Committee, many of the new functions that would have to be performed by the bureau and commission, including the requirement to develop a long-range tourism master plan, are either already being done by them or soon will be. If this is true, it is not clear why the bill is necessary.

POSITIONS:

An official from the Michigan Travel Bureau testified in support of the bill before the House Tourism and Recreation Committee. (6-10-93)

A member of the Michigan Travel Commission testified before the House Tourism and Recreation Committee in support of the bill. (6-10-93)

The Department of Commerce has not yet taken a position on the bill. (6-11-93)