



HOUSE BILL No. 4925

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July 1, 1993, Introduced by Reps. Saunders and Hood and referred to the Committee on Appropriations.

A bill to provide for the operation and management of an exposition center; to prescribe its purpose and activities; to provide for the appointment of a council and a manager; to prescribe the powers and duties of certain state agencies and officials; to provide for an appropriation; and to repeal certain acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan state fair exposition center act".

3 Sec. 2. As used in this act:

4 (a) "Center" means the Michigan state fair exposition center
5 created in section 4.

6 (b) "Council" means the Michigan state fair exposition
7 center council created in section 9.

1 (c) "Department" means the department of commerce.

2 (d) "Director" means the director of the department.

3 (e) "Manager" means the manager of the center.

4 Sec. 3. The center shall be utilized on a year-round basis
5 to do all of the following:

6 (a) Bring people of diverse cultural, racial, and ethnic
7 backgrounds together for recreation, entertainment, and
8 education.

9 (b) Transfer information about agriculture and natural
10 resources to the public.

11 (c) Promote and exhibit the agricultural, industrial, com-
12 mercial, and domestic products and services of this state, on
13 behalf of people of all ages, particularly Michigan's young
14 people.

15 Sec. 4. The Michigan state fair exposition center is cre-
16 ated in the office of the director. The governor shall appoint a
17 manager, who shall be exempt from the classified state civil
18 service. The manager shall administer the business operation of
19 the center as provided in this act.

20 Sec. 5. (1) The control of all land and other property
21 vested in the state or its people for the purpose of holding and
22 conducting agricultural and industrial fairs and exhibitions is
23 vested in the department to be operated as provided in this act.

24 (2) This act does not apply to any of the following:

25 (a) The Upper Peninsula state fair conducted under Act
26 No. 89 of the Public Acts of 1927, being sections 285.141 to
27 285.145 of the Michigan Compiled Laws.

1 (b) A fair conducted by a county of this state, or to a fair
2 conducted under the official authorization of the county board of
3 commissioners or other duly constituted county regional
4 authority.

5 (c) A use of fairgrounds permitted under Act No. 80 of the
6 Public Acts of 1941, being section 285.151 of the Michigan
7 Compiled Laws.

8 Sec. 6. The center shall do all of the following:

9 (a) Conduct an annual state fair and other exhibits and
10 events consistent with section 3.

11 (b) Enter into annual contracts and leases with vendors,
12 concessionaires, and entertainers, and enter into other annual
13 contracts necessary to conduct an annual state fair under author-
14 ity of the manager in accordance with policies established by the
15 council.

16 (c) Enter into longer term contracts of up to 5 years as are
17 necessary to operate the center. These contracts shall be
18 approved by the council and bids for these contracts will be
19 sought in accordance with the state law.

20 (d) Enter into contracts with companies or individuals to
21 serve as sponsors of activities connected to the state fair and
22 other events. Sponsorship contributions may be spent for enter-
23 tainment, promotion, or other activities connected to the fair or
24 other events authorized by the manager. Annual sponsorship con-
25 tracts shall be approved by the manager under council policies.
26 Sponsorship contracts of 2 to 5 years shall have council
27 approval.

1 (e) Enter into leases or rental agreements for the center or
2 a portion of it for events and activities, other than the state
3 fair, consistent with section 3. Annual leases or rental agree-
4 ments shall be entered into by the manager within policies estab-
5 lished by the council.

6 (f) Lease the center or a portion of it with the approval of
7 the council and the department to private or public organizations
8 for a period not to exceed 50 years, conditional upon construc-
9 tion and improvements for which plans have been approved by the
10 council and the department.

11 (g) Comply with the terms of all long-term leases and con-
12 tracts entered into prior to the effective date of this act. Any
13 such lease or contract shall remain valid through its term.

14 Sec. 7. (1) The manager annually shall present a report to
15 the governor, the legislature, and the council describing the
16 condition of receipts and disbursements of the center and any
17 other receipts or expenditures through appropriation, gift,
18 grant, or conveyance that has a material bearing on the operation
19 of the center.

20 (2) An audit of the books and records of the center shall be
21 made periodically, not to exceed every 3 years, by the auditor
22 general or a private contractual auditor.

23 (3) The council shall annually review, alter, and approve
24 long-term operational and site plans for the center.

25 (4) The department shall promulgate rules regarding the
26 operation of the center, pursuant to the administrative

1 procedures act of 1969, Act No. 306 of the Public Acts of 1969,
2 being sections 24.201 to 24.328 of the Michigan Compiled Laws.

3 Sec. 8. The manager is the chief administrative officer for
4 the management and operation of the center. The manager shall
5 work primarily on the site of the center. The manager may enter
6 into contracts and leases as authorized by law and rule. The
7 manager is:

8 (a) Directly responsible to the director and the council.

9 (b) Through the department, responsible for the hiring of
10 all necessary personnel associated with the management and opera-
11 tion of the center.

12 (c) Responsible for the financial operation of the center.

13 (d) Responsible for developing ideas and programs that
14 enhance the operation and functioning of the center.

15 (e) Responsible for the preparation of the annual budget for
16 the center for presentation to the council and the department.

17 Sec. 9. (1) The Michigan state fair exposition center coun-
18 cil is established within the department. The council shall con-
19 sist of the following members:

20 (a) The director of the department of agriculture, or his or
21 her designated representative.

22 (b) The director, or his or her designated representative.

23 (c) The director of the department of natural resources, or
24 his or her designated representative.

25 (d) Eight members, not more than 4 of whom shall be members
26 of the same political party, appointed by the governor, by and
27 with the advice and consent of the senate. The term of office of

1 each appointed member shall be for 3 years except that of the
2 members first appointed, 2 shall serve for 1 year, 3 shall serve
3 for 2 years, and 3 shall serve for 3 years. Two members shall be
4 engaged in agricultural activity, 1 member shall represent the
5 horse industry, 1 member shall represent labor, and 1 member
6 shall represent business. In case of vacancy, appointment shall
7 be made in the same manner as the original appointment for the
8 unexpired term. A member shall not serve more than 3 successive
9 terms.

10 (2) Appointed council members shall be paid a per diem com-
11 pensation and receive reimbursement of expenses.

12 (3) The council shall select a chairperson and other offi-
13 cers from its membership and shall meet not less than 10 times
14 per year. However, the director of the department of agricul-
15 ture, the director, and the director of the department of natural
16 resources shall not serve as officers of the council.

17 (4) The council shall be provided staff assistance by the
18 department to carry out its functions.

19 Sec. 10. (1) The business which the council may perform
20 shall be conducted at a public meeting of the council held in
21 compliance with the open meetings act, Act No. 267 of the Public
22 Acts of 1976, being sections 15.261 to 15.275 of the Michigan
23 Compiled Laws. Public notice of the time, date, and place of the
24 meeting shall be given in the manner required by Act No. 267 of
25 the Public Acts of 1976.

26 (2) A writing prepared, owned, used, in the possession of,
27 or retained by the council or department in the performance of an

1 official function shall be made available to the public in
2 compliance with the freedom of information act, Act No. 442 of
3 the Public Acts of 1976, being sections 15.231 to 15.246 of the
4 Michigan Compiled Laws.

5 Sec. 11. The council shall do all of the following:

6 (a) Serve as the chief policy-making body of the center.

7 (b) Annually review and amend operational and site plans.

8 (c) Annually review the success of the center and establish
9 policy for the coming fair.

10 (d) Advise the governor relative to the selection of a man-
11 ager before that position is filled.

12 (e) Approve an annual budget within the amount appropriated
13 or stipulated by law and establish policy for the regular review
14 of income and expenditures.

15 (f) Be directly involved with management in areas critical
16 to the success of the center including all of the following:

17 (i) Promotion and publicity for the fair.

18 (ii) Outreach for new nonfair events.

19 (iii) Solicitation of sponsors.

20 (iv) Improvement of livestock, community arts industrial and
21 commercial exhibits, and the encouragement of participation in
22 such exhibits.

23 (v) Participation in the governor's luncheon and efforts to
24 increase its value to the fair.

25 (vi) Increasing the visibility and viability of the live-
26 stock auction.

1 (vii) Encouragement of the use of the fairgrounds as a
2 community resource in communicating the role of food and
3 agriculture to an urban community.

4 (g) Set up and conduct an annual evaluation of the manage-
5 ment of the center and make recommendations to the manager, the
6 director, and the governor.

7 (h) Communicate to the governor and the legislature the
8 needs of the center regarding capital outlay, appropriations, and
9 program needs.

10 (i) Perform contract approval and other responsibilities
11 designated in this act..

12 Sec. 12. The department shall do all of the following:

13 (a) Use its resources to encourage involvement of the busi-
14 ness community as sponsors, exhibitors, promoters, lessors, and
15 developers consistent with the objectives in section 3.

16 (b) Promote and advertise the state fair and other events
17 through participation of appropriate bureaus and divisions, and
18 the director.

19 (c) Determine the feasibility of the use of the center as a
20 trade center for more extensive promotion of Michigan products
21 and services as a year-round site or through annual events.

22 (d) Determine the feasibility of the use of the center as a
23 location for other state agencies and activities.

24 Sec. 13. (1) Sections 301 to 315 of the Michigan penal
25 code, Act No. 328 of the Public Acts of 1931, being sections
26 750.301 to 750.315 of the Michigan Compiled Laws, do not apply to

1 a person who conducts or participates in a game of skill pursuant
2 to this section or the rules promulgated under this section.

3 (2) In staging the annual state fair, the department may
4 enter into licensing agreements with concessionaires permitting
5 games of skill which shall be conducted in accordance with the
6 following criteria:

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

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

11 (c) The game is not similar to games of chance in which win-
12 ning depends primarily upon fortuitous or accidental circum-
13 stances beyond the control of the participant including games
14 such as roulette, beano, cards, dice, or wheels of fortune nor is
15 the game one which includes a mechanical or physical device which
16 directly or indirectly impedes, impairs, or thwarts the skill of
17 the player.

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

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

3 (3) The department may promulgate rules pursuant to the
4 administrative procedures act of 1969, Act No. 306 of the Public
5 Acts of 1969, being sections 24.201 to 24.328 of the Michigan
6 Compiled Laws, consistent with the criteria established in sub-
7 section (2) to regulate the conduct of games of skill during the
8 annual state fair and to protect the public from unauthorized or
9 dishonest practices in conducting those games.

10 (4) The department may, after a hearing held pursuant to Act
11 No. 306 of the Public Acts of 1969, revoke the licensing agree-
12 ment of a concessionaire if the department determines that the
13 public is being defrauded, or that this act or a rule promulgated
14 pursuant to this act is being violated.

15 (5) The department may promulgate rules pursuant to Act No.
16 306 of the Public Acts of 1969 to permit the operation of a bingo
17 party permitted and licensed under the Traxter-McCauly-Law-Bowman
18 bingo act, Act No. 382 of the Public Acts of 1972, being sections
19 432.101 to 432.120 of the Michigan Compiled Laws. The department
20 may lease facilities as a location within or at which an organi-
21 zation qualified and licensed under Act No. 382 of the Public
22 Acts of 1972, may conduct bingo.

23 Sec. 14. All classified state fair employees of the depart-
24 ment of natural resources are transferred to the department and
25 shall be considered to have continuous employment under the civil
26 service commission and shall retain all benefits and rights that
27 have accrued to them.

1 Sec. 15. (1) The center shall operate on an annual basis as
2 follows and the legislature shall annually appropriate the
3 following:

4 (a) An amount estimated to be equivalent to the expected
5 revenue of the center to be returned to the general fund.

6 (b) Any additional amount considered appropriate by the leg-
7 islature for a specific function or event.

8 (2) All revenue earned by the center shall be forwarded to
9 the state treasurer and credited to the general fund except:

10 (a) Contributions made by sponsors may be spent as desig-
11 nated in section 6(d).

12 (b) A multiyear contract providing revenue and benefits to
13 the center may provide for direct expenditures by the contractor
14 for repairs, improvements, or promotions that will benefit the
15 center and the contractor.

16 (3) If expenditures under subsection (1) exceed revenue
17 returned to the general fund under subsection (2), the excess
18 shall be deducted from the appropriation for the following year.

19 (4) If revenue returned to the general fund exceeds the
20 appropriation under subsection (1), an amount stipulated by the
21 council shall be set aside in an interest bearing account, as a
22 contingency fund which shall offset any future loss. The amount
23 in excess of the contingency fund shall be appropriated the fol-
24 lowing year in addition to the amount in subsection (1), to be
25 expended as designated by the manager and approved by the council
26 in any manner beneficial to the center and its purposes
27 consistent with section 3.

1 Sec. 16. This amendatory act shall take effect
2 September 15, 1993.

3 Sec. 17. Act No. 361 of the Public Acts of 1978, being sec-
4 tions 285.161 to 285.176 of the Michigan Compiled Laws, is
5 repealed.