

SUBSTITUTE FOR
HOUSE BILL NO. 5341

A bill to amend 1978 PA 361, entitled
"Michigan exposition and fairgrounds act,"
by amending sections 2, 5, 6, 7, 8, 9, and 11 (MCL 285.162,
285.165, 285.166, 285.167, 285.168, 285.169, and 285.171) and by
adding sections 14a and 15a; and to repeal acts and parts of
acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Council" means the state exposition and fairgrounds
3 council created in section 9.

4 (b) "Department" means the ~~state~~ department of ~~natural~~
5 ~~resources~~ AGRICULTURE.

6 (c) "Director" means the director of the department.

7 (D) "FUND" MEANS THE STATE EXPOSITION AND FAIRGROUNDS FUND
8 CREATED IN SECTION 14A.

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1 (E) ~~(d)~~ "Manager" means the manager of the state
2 exposition and fairgrounds.

3 Sec. 5. The control of all land and other property ~~vested~~
4 ~~in~~ HELD OR ACQUIRED BY the state or its people for the purpose
5 of holding and conducting agricultural and industrial fairs and
6 exhibitions ~~—, is transferred from the department of agricul-~~
7 ~~ture and~~ vested in the department.

8 Sec. 6. The department shall DO ALL OF THE FOLLOWING:

9 (a) Conduct an annual state fair and other exhibits or
10 events for the purpose of promoting all phases of the economy of
11 this state. This fair and THE exhibits or events shall encourage
12 and demonstrate agricultural, industrial, commercial, and recrea-
13 tional pursuits.

14 (b) Lease the state EXPOSITION AND fairgrounds, ~~or~~ a por-
15 tion of the state EXPOSITION AND fairgrounds, or a building on
16 the ~~grounds~~ STATE EXPOSITION AND FAIRGROUNDS for purposes con-
17 sidered by the department to be consistent with the staging of
18 the state fair and other exhibits or events. The department may
19 determine and impose rental charges and other fees for the use or
20 lease of the buildings and grounds or a portion of the buildings
21 and grounds. The department may lease properties to private and
22 public organizations for a period not to exceed 30 years for con-
23 sideration established by the department. The department may
24 grant leases for ALL OR a portion of the state EXPOSITION AND
25 fairgrounds to private and public organizations, conditional upon
26 construction and improvements ~~for which~~ ACCORDING TO plans
27 ~~shall be~~ approved by the department to be financed by the

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1 lessees, for terms not to exceed 30 years. ~~A lease shall~~
2 ~~terminate upon sale of the state fairgrounds by this state. In~~
3 ~~case of a sale, the lessee shall be reimbursed for that part of~~
4 ~~the original cost of construction or improvement in the same~~
5 ~~ratio as the remaining years in the lease bear to the term of the~~
6 ~~lease. Depreciation shall be subtracted from original costs~~
7 ~~first, and the remainder shall be prorated. THE DEPARTMENT MAY~~
8 ~~GRANT AN EXTENSION OF THE LEASE TERM FOR NOT MORE THAN AN ADDI-~~
9 ~~TIONAL 20 YEARS. The use of the state EXPOSITION AND fairgrounds,~~
10 ~~or a portion of the state EXPOSITION AND fairgrounds, or of a~~
11 ~~building on the grounds STATE EXPOSITION AND FAIRGROUNDS shall~~
12 ~~not interfere with the preparation for or holding of the state~~
13 ~~fair and other exhibits or events. All leases and long-term~~
14 ~~contracts entered into by the Michigan state fair commission pur-~~
15 ~~suant to former Act No. 100 of the Public Acts of 1956 shall~~
16 ~~remain valid until the expiration of their respective terms. A~~
17 ~~lease or contract entered into pursuant to former Act No. 224 of~~
18 ~~the Public Acts of 1962, as amended, shall remain valid until the~~
19 ~~expiration of the respective term of the lease or contract. ALL~~
20 ~~LEASES AND CONTRACTS ENTERED INTO UNDER THIS ACT REMAIN VALID~~
21 ~~UNTIL THE EXPIRATION OF THE TERM OF THE LEASE OR CONTRACT.~~

22 (c) Enter into contracts to conduct the annual state fair,
23 exhibits, or other events, at the ~~fair and~~ STATE exposition
24 ~~grounds which shall~~ AND FAIRGROUNDS THAT enhance agricultural,
25 industrial, commercial, recreational, educational, or cultural
26 pursuits ~~,~~ or government services to citizens.

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1 Sec. 7. (1) The department annually shall present a report
2 to the governor, THE legislature, and THE council describing the
3 ~~condition of receipts and disbursements of the state fair~~
4 ~~revolving fund and any other~~ receipts or expenditures through
5 appropriation, gift, grant, or conveyance ~~which has~~ THAT HAVE a
6 material bearing on the operation of the state fair or THE STATE
7 EXPOSITION AND fairgrounds.

8 (2) An annual audit of the books and records of the state
9 exposition and fairgrounds shall be made by the auditor general.

10 ~~(3) The department shall prepare or cause to be prepared an~~
11 ~~overall site design for the state exposition and fairgrounds~~
12 ~~within 6 months after the effective date of this act. The site~~
13 ~~design shall include an overall land use plan, demolition sched-~~
14 ~~ule, cost schedule, and proposed time schedule for completion of~~
15 ~~site design plans. The site design shall not impede the conduct~~
16 ~~of an annual state fair. The site design shall include a plan~~
17 ~~for year-round programs including agricultural, recreational,~~
18 ~~commercial, governmental, cultural, and educational events and~~
19 ~~activities. The plan shall identify the potential state depart-~~
20 ~~ments to exhibit at the fair. The site design shall be prepared~~
21 ~~with the advice of the council. The department annually shall~~
22 ~~report to the governor, legislature, and council the status of~~
23 ~~the site design plan and the other programs on the fairgrounds.~~

24 (3) ~~(4)~~ The department shall promulgate rules ~~for the~~
25 ~~purpose of~~ governing the conduct of the annual state fair and
26 STATE exposition ~~grounds~~ AND FAIRGROUNDS and the development
27 and administration of the ~~grounds~~ STATE EXPOSITION AND

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1 FAIRGROUNDS as a commercial, agricultural, recreational, and
2 multipurpose facility, pursuant to ~~Act No. 306 of the Public~~
3 ~~Acts of 1969, as amended, being sections 24.201 to 24.315 of the~~
4 ~~Michigan Compiled Laws~~ THE ADMINISTRATIVE PROCEDURES ACT OF
5 1969, 1969 PA 306, MCL 24.201 TO 24.328.

6 Sec. 8. The manager shall DO ALL OF THE FOLLOWING:

7 (a) Be directly responsible to the director.

8 (b) Be the chief administrative officer for the management
9 and operation of the state ~~exhibition~~ EXPOSITION and
10 fairgrounds, and may enter into contracts and leases as autho-
11 rized by rule PROMULGATED UNDER THIS ACT.

12 (c) Have as a primary work station the site of the state
13 ~~fair and exhibition grounds~~ EXPOSITION AND FAIRGROUNDS.

14 (d) Through the department, hire all necessary personnel
15 associated with the management and operation of the state ~~fair~~
16 ~~and exhibition grounds~~ EXPOSITION AND FAIRGROUNDS.

17 (e) Be responsible for the financial operation of the state
18 ~~fair and~~ exposition ~~grounds~~ AND FAIRGROUNDS.

19 (f) Develop ideas and programs that enhance the operation
20 and functioning of the state ~~fair and~~ exposition ~~grounds~~ AND
21 FAIRGROUNDS.

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

25 Sec. 9. (1) A state exposition and fairgrounds council is
26 established within the department. The council shall consist of
27 the following members:

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1 (a) The director ~~of the department of agriculture,~~ or a
2 designated representative.

3 ~~(b) The director of the department of commerce, or a desig-~~
4 ~~nated representative.~~

5 (B) ~~(c)~~ The director of the department of natural
6 resources ~~,~~ or a designated representative.

7 ~~(d) The director of the department of agriculture, the~~
8 ~~director of the department of commerce, and the director of the~~
9 ~~department of natural resources shall not serve as officers of~~
10 ~~the council.~~

11 (C) ~~(e) Eight~~ NINE members, not more than ~~4~~ 5 of whom
12 shall be members of the same political party, appointed by the
13 governor ~~,~~ by and with the consent of the senate. The term of
14 office of each member in this subdivision shall be ~~for~~ 3 years
15 except that, of the members first appointed, 2 shall serve for 1
16 year, 3 shall serve for 2 years, and ~~3~~ 4 shall serve for 3
17 years. In case of vacancy, AN appointment TO FILL THE VACANCY
18 shall be made in the same manner as the original appointment for
19 the unexpired term. Three members shall be engaged in ~~farming~~
20 ~~activity, 1 member shall represent the horse~~ THE AGRICULTURE
21 industry, 1 member shall represent labor, ~~and 1 member~~ 2
22 MEMBERS shall represent business, 1 MEMBER SHALL BE FROM THE
23 TRAVEL INDUSTRY, AND 2 MEMBERS SHALL BE FROM THE GENERAL PUBLIC.
24 ~~A member shall not serve more than 2 successive terms.~~

25 (2) Council members shall be paid a per diem compensation
26 and receive reimbursement of expenses.

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1 (3) The council shall select a chairperson and other
2 officers from its membership.

3 (4) THE DIRECTOR AND THE DIRECTOR OF THE DEPARTMENT OF NATU-
4 RAL RESOURCES SHALL NOT SERVE AS OFFICERS OF THE COUNCIL.

5 (5) ~~-(4)-~~ The council shall be provided staff assistance by
6 the department to carry out its functions and shall meet not less
7 than ~~10~~ 4 times per year.

8 Sec. 11. The council shall DO ALL OF THE FOLLOWING:

9 (a) Advise the director, the legislature, and the governor
10 on the operating budget, capital improvements, programs, exhib-
11 its, and other matters relevant to the state exposition and
12 fairgrounds.

13 (b) Advise the director relative to the selection of a man-
14 ager before selection.

15 ~~-(c) Advise the department on the overall site design and~~
16 ~~programs developed by the department for the state fair and expo-~~
17 ~~sition grounds.~~

18 (C) ~~-(d)-~~ Advise the director ~~with regard to all construc-~~
19 ~~tion, facilities modification, or site development at the~~
20 ~~fairgrounds;~~ with regard to utilization of the STATE EXPOSITION
21 AND fairgrounds, including its use as the site for the annual
22 state fair, and on any other matter which the council may regard
23 as appropriate.

24 (D) ~~-(e)-~~ Promote, encourage, and assist the director and
25 the manager in conducting exhibits or other events at the state
26 ~~exhibition~~ EXPOSITION and fairgrounds ~~which shall~~ THAT
27 enhance agricultural, industrial, commercial, recreational,

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1 educational, or cultural pursuits —, or government service to
2 citizens.

3 ~~—(f) Advise the director by assisting in the development of~~
4 ~~specifications for open competitive bidding on all contracts rel=~~
5 ~~evant to the performance of the annual state fair except leases~~
6 ~~entered into by the department pursuant to section 6(b).—~~

7 (E) ~~—(g)~~ Perform other functions the director or THE man-
8 ager ~~request~~ REQUESTS.

9 SEC. 14A. (1) THE STATE EXPOSITION AND FAIRGROUNDS FUND IS
10 CREATED WITHIN THE STATE TREASURY.

11 (2) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE
12 FUND. THE STATE TREASURER SHALL CREDIT TO THE FUND INTEREST AND
13 EARNINGS FROM FUND INVESTMENTS. THE STATE TREASURER MAY RECEIVE
14 MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE FUND.
15 ALL OF THE FOLLOWING SHALL BE DEPOSITED IN THE FUND:

16 (A) MONEY APPROPRIATED FROM THE GENERAL FUND FOR THE PURPOSE
17 OF HOLDING A STATE FAIR THAT IS UNENCUMBERED AND UNSPENT AT THE
18 CLOSE OF THE FISCAL YEAR.

19 (B) MONEY GENERATED FROM THE OPERATION OF ACTIVITIES AUTHO-
20 RIZED BY THIS ACT.

21 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL
22 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

23 (4) THE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE LEG-
24 ISLATURE AND THE COUNCIL SHOWING THE AMOUNT OF MONEY RECEIVED
25 UNDER THIS ACT AND HOW THAT MONEY WAS SPENT.

26 (5) UPON APPROPRIATION, MONEY IN THE FUND SHALL BE EXPENDED
27 BY THE DIRECTOR, WITH THE ADVICE OF THE COUNCIL, TO PROVIDE FOR

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1 AN ANNUAL STATE FAIR, THE MAINTENANCE OF THE STATE EXPOSITION AND
2 FAIRGROUNDS, AND FOR ANY PURPOSE AUTHORIZED IN SECTION 6.

3 SEC. 15A. THE DEPARTMENT MAY DEMOLISH OR PERMIT THE DEMOLI-
4 TION OF ANY BUILDING OR STRUCTURE ON THE STATE EXPOSITION AND
5 FAIRGROUNDS THAT IS DETERMINED BY THE DIRECTOR TO BE UNSUITABLE
6 FOR USES CONSISTENT WITH THE HOLDING OF THE STATE FAIR.

7 Enacting section 1. The following acts and parts of acts
8 are repealed:

9 (a) Sections 14, 15, and 16 of the Michigan exposition and
10 fairgrounds act, 1978 PA 361, MCL 285.174, 285.175, and 285.176.

11 (b) Section 4 of 1921 PA 13, MCL 285.4.