

HOUSE BILL No. 5898

February 25, 2010, Introduced by Reps. Rogers, Denby, Calley, Pavlov, Haines and Crawford and referred to the Committee on Government Operations.

A bill to amend 1978 PA 361, entitled "Michigan exposition and fairgrounds authority act," by amending the title and sections 1, 2, 5, 6, 7, 8, 11, 12, 14a, 15a, and 15b (MCL 285.161, 285.162, 285.165, 285.166, 285.167, 285.168, 285.171, 285.172, 285.174a, 285.175a, and 285.175b), the title and sections 1, 2, 5, 6, 7, 8, 11, 12, 14a, and 15a as amended and section 15b as added by 2004 PA 468; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to **AUTHORIZE THE HOLDING OF A MICHIGAN STATE FAIR; TO** provide for the control and management of certain state exposition centers and fairgrounds; ~~to create a state exposition center and~~

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1 ~~fairgrounds authority and board within the department of management~~
 2 ~~and budget; to prescribe the authority's and board's powers and~~
 3 ~~duties OF CERTAIN STATE AGENCIES AND OFFICIALS; to provide for the~~
 4 ~~appointment of a state exposition center and fairgrounds manager~~
 5 ~~and to prescribe the manager's powers and duties; to designate the~~
 6 ~~method of financing state exposition centers and fairgrounds; to~~
 7 ~~create certain funds; to provide for appropriations; and to repeal~~
 8 ~~acts and parts of acts.~~

9 Sec. 1. This act shall be known and may be cited as the
 10 "Michigan ~~exposition and fairgrounds authority~~ **STATE FAIR** act".

11 Sec. 2. As used in this act:

12 ~~—— (a) "Authority" means the state exposition and fairgrounds~~
 13 ~~authority created in section 9.~~

14 ~~—— (b) "Authority board" means the board for the authority~~
 15 ~~appointed under section 9.~~

16 **(A)** ~~(e)~~ "Department" means the department of management and
 17 budget.

18 **(B)** ~~(d)~~ "Director" means the director of the department.

19 **(C)** ~~(e)~~ "Fund" means the state exposition and fairgrounds fund
 20 created in section 14a.

21 **(D) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,**
 22 **ASSOCIATION, OR OTHER PUBLIC OR PRIVATE ENTITY.**

23 ~~—— (f) "Manager" means the manager of the authority appointed~~
 24 ~~under section 4.~~

25 ~~—— (g) "Type I transfer" means that term as defined in section 3~~
 26 ~~of the executive organization act of 1965, 1965 PA 380, MCL 16.103.~~

27 Sec. 5. The control of all land and other property held or

1 acquired by this state or its people for the purpose of holding and
2 conducting agricultural and industrial fairs and exhibitions is
3 vested in the ~~authority~~ **DEPARTMENT**.

4 Sec. 6. (1) The ~~authority shall~~ **DEPARTMENT MAY** do ~~all~~ **1 OR**
5 **MORE** of the following:

6 (a) Conduct an annual state fair and other exhibits or events
7 for the purpose of promoting all phases of the economy of this
8 state. This fair and the exhibits or events shall encourage and
9 demonstrate agricultural, industrial, commercial, educational,
10 entertainment, tourism, technological, cultural, and recreational
11 pursuits.

12 (B) **IF THE DEPARTMENT DOES NOT CONDUCT AN ANNUAL STATE FAIR**
13 **UNDER SUBDIVISION (A), AUTHORIZE, ON AN ANNUAL BASIS, A PERSON TO**
14 **DESIGNATE 1 FAIR TO BE HELD IN THE STATE AS THE "MICHIGAN STATE**
15 **FAIR" IF IT WILL ACCOMPLISH THE PURPOSES DESCRIBED IN SUBDIVISION**
16 **(A).**

17 (C) ~~(b)~~ Lease the state exposition and fairgrounds, a portion
18 of the state exposition and fairgrounds, or a building on the state
19 exposition and fairgrounds for purposes considered by the ~~authority~~
20 **DEPARTMENT** to be consistent with the staging of ~~the~~ **A** state fair
21 and other exhibits or events. The ~~authority~~ **DEPARTMENT** may
22 determine and impose rental charges and other fees for the use or
23 lease of the buildings and grounds or a portion of the buildings
24 and grounds. The ~~authority~~ **DEPARTMENT** may lease properties to
25 private and public organizations for a period not to exceed 30
26 years for consideration established by the ~~authority~~ **DEPARTMENT**.
27 The ~~authority~~ **DEPARTMENT** may grant leases for all or a portion of

1 the state exposition and fairgrounds to private and public
2 organizations, conditional upon construction and improvements
3 according to plans approved by the ~~authority~~**DEPARTMENT** to be
4 financed by the lessees, for terms not to exceed 30 years. The
5 ~~authority~~**DEPARTMENT** may grant an extension of the lease term for
6 not more than an additional 20 years. The use of the state
7 exposition and fairgrounds, a portion of the state exposition and
8 fairgrounds, or a building on the state exposition and fairgrounds
9 shall not interfere with the preparation for or holding of ~~the~~**A**
10 state fair and other exhibits or events. Land, a building, or other
11 property that is leased under this subdivision to a for-profit
12 business shall be leased at fair market value. All leases and
13 contracts entered into under this act remain valid until the
14 expiration of the term of the lease or contract.

15 (D) ~~(e)~~Enter into contracts, subject to the requirements of
16 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594,
17 to conduct ~~the annual~~**A** state fair, exhibits, or other events, at
18 the state exposition and fairgrounds that enhance agricultural,
19 industrial, commercial, recreational, educational, entertainment,
20 tourism, technological, or cultural pursuits or government services
21 to citizens.

22 (2) The ~~authority~~**DEPARTMENT** may enter into cooperative
23 agreements, contracts, or other agreements with 1 or more
24 governmental entities to use the personnel, services, or facilities
25 of the governmental entity to assist the ~~authority~~**DEPARTMENT** with
26 carrying out its duties under this act and as otherwise provided by
27 law.

1 Sec. 7. (1) The ~~authority~~**DEPARTMENT** annually shall present a
2 report to the governor ~~, AND~~ the legislature, ~~and the department~~
3 describing the receipts or expenditures through appropriation,
4 gift, grant, or conveyance that have a material bearing on the
5 operation of ~~the~~**A** state fair or the state exposition and
6 fairgrounds.

7 (2) The ~~authority~~**DEPARTMENT** shall be subject to annual post
8 audits of its financial transactions and accounts and to
9 performance post audits by the auditor general.

10 (3) The ~~authority~~**DEPARTMENT** may promulgate rules governing
11 the conduct of ~~the~~**AN** annual state fair and state exposition and
12 fairgrounds and the development and administration of the state
13 exposition and fairgrounds as a commercial, agricultural,
14 recreational, and multipurpose facility, pursuant to the
15 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
16 24.328. Any rules in effect on ~~the effective date of the amendatory~~
17 ~~act that added this sentence~~**MARCH 1, 2005** shall remain in effect
18 until rescinded by the ~~authority~~**DEPARTMENT**.

19 Sec. 8. The ~~manager~~**DEPARTMENT** shall do all of the following:

20 ~~—— (a) Be directly responsible to the authority.~~

21 ~~—— (b) Be the chief administrative officer for the management and~~
22 ~~operation of the state exposition and fairgrounds, and may enter~~
23 ~~into contracts and leases, subject to the requirements of the~~
24 ~~management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, as~~
25 ~~authorized by rule promulgated under this act.~~

26 ~~—— (c) Have as a primary work station the site of the state~~
27 ~~exposition and fairgrounds.~~

1 (A) ~~(d) Serve as an appointing authority for any necessary~~
 2 ~~personnel associated with the management and operation of~~ **MANAGE**
 3 **AND OPERATE** the state exposition and fairgrounds.

4 (B) ~~(e) Be responsible for the financial operation of the~~
 5 ~~state exposition and fairgrounds.~~

6 (C) ~~(f) Develop ideas and programs that enhance the operation~~
 7 ~~and functioning of the state exposition and fairgrounds.~~

8 (D) ~~(g) Be responsible for the preparation of the~~ **PREPARE AN**
 9 ~~annual budget for the state exposition and fairgrounds. for~~
 10 ~~presentation to the department.~~

11 ~~(h) Develop and present to the authority board for its~~
 12 ~~approval each of the following:~~

13 ~~(i) A financial plan submitted annually.~~

14 ~~(ii) A rolling 5 year operations plan submitted annually.~~

15 ~~(iii) A facility and utility renovation plan, updated as~~
 16 ~~determined by the manager or as requested by the authority board.~~

17 ~~(iv) A long range master plan for authority facilities and the~~
 18 ~~state exposition and fairgrounds, updated as determined by the~~
 19 ~~manager or as requested by the authority board.~~

20 Sec. 11. Except as otherwise provided in this act, the
 21 ~~authority board~~ **DEPARTMENT** shall do all things necessary or
 22 convenient to implement the purposes, objectives, and provisions of
 23 this act, ~~and the purposes, objectives, and powers delegated to the~~
 24 ~~authority by other laws or executive orders, including, but not~~
 25 limited to, all of the following:

26 (a) Review and approve policies, including dates for ~~the~~ **A**
 27 **STATE** fair and the budget.

1 (b) Develop and submit to the department, the legislature, and
2 the governor on a yearly basis a rolling 5-year operational plan
3 and construction plan, including a master plan for the use of
4 buildings and the grounds.

5 (c) Report to the director, the legislature, and the governor
6 on the operating budget, capital improvements, programs, exhibits,
7 and other matters relevant to the state exposition and fairgrounds.

8 (d) Approve or authorize ~~the manager to approve~~ utilization of
9 the state exposition and fairgrounds, including its use as the site
10 for ~~the annual~~ **A** state fair, and on any other matter ~~which the~~
11 ~~authority may regard as~~ **CONSIDERED** appropriate.

12 (e) Promote, encourage, and ~~assist the manager in conducting~~
13 **CONDUCT** exhibits or other events at the state exposition and
14 fairgrounds that enhance agricultural, industrial, commercial,
15 recreational, educational, or cultural pursuits or government
16 service to citizens.

17 Sec. 12. (1) In staging ~~the annual~~ **A** state fair, the ~~authority~~
18 **DEPARTMENT** may enter into licensing agreements with concessionaires
19 permitting games of skill ~~which~~ **THAT** shall be conducted in
20 accordance with the following criteria:

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

23 (b) The game does not constitute a fraud upon the
24 participants.

25 (c) The game is not similar to games of chance in which
26 winning depends primarily upon fortuitous or accidental
27 circumstances beyond the control of the participant including games

1 such as roulette, beano, cards, dice, or wheels of fortune and the
2 game does not include a mechanical or physical device that directly
3 or indirectly impedes, impairs, or thwarts the skill of the player.

4 (d) If the game is a group or contest participation game, each
5 participant shall be in attendance at the time the game is played
6 and shall actively participate throughout the entire game by
7 personally designating his or her target, goal, or desired
8 objective. A winner shall be determined by the skill of 1 or more
9 of the participants in the group or contest game, and each
10 participant shall be randomly selected. The distribution of prizes
11 shall be made in the presence of each participant at the time the
12 game is played.

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

15 (2) The department may promulgate rules pursuant to the
16 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
17 24.328, consistent with the criteria established in subsection (1)
18 to regulate the conduct of games of skill during ~~the annual~~ A state
19 fair and to protect the public from unauthorized or dishonest
20 practices in conducting those games.

21 (3) The department may, after an administrative hearing held
22 pursuant to the administrative procedures act of 1969, 1969 PA 306,
23 MCL 24.201 to 24.328, revoke the licensing agreement of a
24 concessionaire if the department determines that the public is
25 being defrauded, or that this act or a rule promulgated pursuant to
26 this act is being violated.

27 (4) The department may promulgate rules pursuant to the

1 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
2 24.328, to permit the operation of a bingo or a millionaire party
3 permitted and licensed under the Traxler-McCauley-Law-Bowman bingo
4 act, 1972 PA 382, MCL 432.101 to 432.120. The ~~authority~~**DEPARTMENT**
5 may lease facilities as a location within or at which an
6 organization qualified and licensed under that act may conduct
7 bingo or a millionaire party.

8 Sec. 14a. (1) The state exposition and fairgrounds fund is
9 created within the state treasury. ~~The fund shall be administered~~
10 ~~by the authority.~~

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 Money generated from the operation of activities authorized by this
16 act shall be deposited into the fund. **THE DEPARTMENT SHALL BE THE**
17 **ADMINISTRATOR OF THE FUND FOR AUDITING PURPOSES.**

18 (3) Money in the fund at the close of the fiscal year shall
19 remain in the fund and shall not lapse to the general fund.

20 ~~——(4) The authority shall submit an annual report to the~~
21 ~~legislature and the department showing the amount of money received~~
22 ~~under this act and how that money was spent.~~

23 **(4)** ~~(5)~~The money in the fund shall be expended pursuant to
24 appropriation of the legislature ~~by the authority~~ in the following
25 order of priority:

26 (a) Providing for ~~an annual~~**A state fair CONDUCTED BY THE**
27 **DEPARTMENT.**

1 (b) Maintaining the state exposition and fairgrounds.

2 (c) Any other purpose authorized under this act.

3 Sec. 15a. The ~~authority-DEPARTMENT~~ may demolish or permit the
4 demolition of any building or structure on the state exposition and
5 fairgrounds that is determined by the ~~authority-DEPARTMENT~~ to be
6 unsuitable for uses consistent with the holding of the state fair.

7 Sec. 15b. (1) The ~~authority-DEPARTMENT~~ shall develop a
8 newsletter to be published not less often than twice per calendar
9 year for residents of the surrounding area of the state exposition
10 and fairgrounds. The ~~authority-DEPARTMENT~~ shall make the newsletter
11 available electronically on its website and, if requested, by mail.

12 ~~—— (2) The minutes of the meeting of the authority board shall be~~
13 ~~posted on the authority's website.~~

14 (2) ~~(3)~~ The ~~authority-DEPARTMENT~~ shall establish a local
15 neighborhood advisory council for the purpose of public input on
16 the ~~authority's activities.~~ **USE OF THE STATE EXPOSITION AND**

17 **FAIRGROUNDS.**

18 Enacting section 1. Sections 4, 9, 10, and 15 of the Michigan
19 exposition and fairgrounds authority act, 1978 PA 361, MCL 285.164,
20 285.169, 285.170, and 285.175, are repealed.