

SENATE 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.~~
20 LAND, A BUILDING, OR OTHER PROPERTY THAT IS LEASED UNDER THIS
21 SUBDIVISION TO A FOR-PROFIT BUSINESS SHALL BE LEASED AT FAIR
22 MARKET VALUE. ALL LEASES AND CONTRACTS ENTERED INTO UNDER THIS
23 ACT REMAIN VALID UNTIL THE EXPIRATION OF THE TERM OF THE LEASE OR
24 CONTRACT.

25 (c) Enter into contracts to conduct the annual state fair,
26 exhibits, or other events, at the ~~fair and~~ STATE exposition
27 ~~grounds which shall~~ AND FAIRGROUNDS THAT enhance agricultural,

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1 industrial, commercial, recreational, educational, or cultural
2 pursuits ~~,~~ or government services to citizens.

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

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

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

26 (3) ~~(4)~~ The department shall promulgate rules ~~for the~~
27 ~~purpose of~~ governing the conduct of the annual state fair and

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1 STATE exposition ~~grounds~~ AND FAIRGROUNDS and the development
2 and administration of the ~~grounds~~ STATE EXPOSITION AND
3 FAIRGROUNDS as a commercial, agricultural, recreational, and mul-
4 tipurpose facility, pursuant to ~~Act No. 306 of the Public Acts~~
5 ~~of 1969, as amended, being sections 24.201 to 24.315 of the~~
6 ~~Michigan Compiled Laws~~ THE ADMINISTRATIVE PROCEDURES ACT OF
7 1969, 1969 PA 306, MCL 24.201 TO 24.328.

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

9 (a) Be directly responsible to the director.

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

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

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

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

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

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

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

4 (a) The director ~~of the department of agriculture,~~ or a
5 designated representative.

6 ~~(b) The director of the department of commerce, or a desig=
7 nated representative.~~

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

10 ~~(d) The director of the department of agriculture, the
11 director of the department of commerce, and the director of the
12 department of natural resources shall not serve as officers of
13 the council.~~

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

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

3 (3) The council shall select a chairperson and other offi-
4 cers from its membership.

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

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

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

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

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

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

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

26 (D) ~~(e)~~ Promote, encourage, and assist the director and
27 the manager in conducting exhibits or other events at the state

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1 ~~exhibition~~ EXPOSITION and fairgrounds ~~which shall~~ THAT
2 enhance agricultural, industrial, commercial, recreational,
3 educational, or cultural pursuits ~~,~~ or government service to
4 citizens.

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

9 (E) ~~(g)~~ Perform other functions the director or THE man-
10 ager ~~request~~ REQUESTS.

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

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

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

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

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

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

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1 (5) UPON APPROPRIATION, MONEY IN THE FUND SHALL BE EXPENDED
2 BY THE DIRECTOR, WITH THE ADVICE OF THE COUNCIL, TO PROVIDE FOR
3 AN ANNUAL STATE FAIR, THE MAINTENANCE OF THE STATE EXPOSITION AND
4 FAIRGROUNDS, AND FOR ANY PURPOSE AUTHORIZED IN SECTION 6.

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

9 Enacting section 1. The following acts and parts of acts
10 are repealed:

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

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