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House Bill 4146 (Substitute H-2 as reported without amendment)

Sponsor: Representative Chris Ward

House Committee: Local Government and Urban Policy

Senate Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Recreational Authorities Act to do the following:

- Allow two or more districts to establish a recreational authority, and define "district" as a portion of a municipality having boundaries coterminous with those of a precinct used for general elections.
- Limit the duration of a tax levied to pay an authority's bonds or notes without voter approval.
- Require a bond proposal to indicate the expected tax increase.

Under the Act, two or more municipalities may establish a recreational authority; a municipality is a county, city, village, or township. An authority may be established to acquire, construct, operate, maintain, or improve a public swimming pool, recreation center, auditorium, conference center, or park.

To establish an authority, the Act requires articles of incorporation to be prepared. The articles must be adopted, and may be amended, by an affirmative vote of the legislative body of each participating municipality. The bill provides that if a participating municipality were a district, the articles would have to be adopted, and could be amended, by an affirmative vote of a majority of the members serving on the legislative body of the entire municipality.

The Act allows an authority to borrow money and issue bonds or notes to finance public recreational facilities or sites. With voter approval, an authority may issue general obligation unlimited tax bonds. The bill provides that a tax levied to pay a bond or note obligation by an authority could not exceed five years without the approval of a majority of the electors in each of the participating municipalities of the authority. Further, the bill provides that the language of a ballot proposal to approve the issuance of bonds would have to include the following statement: "This is expected to result in an increase of _____ in the tax levied on property valued at _____ for a period of _____ years."

Under the Act, "park" is defined as an area of land or water, or both, dedicated to specified recreational purposes. The bill would add living historical farms to the list of recreational purposes.

MCL 123.1133 et al.

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 7-3-03

Fiscal Analyst: David Zin