

**SUBSTITUTE FOR
HOUSE BILL NO. 4146**

A bill to amend 2000 PA 321, entitled
"Recreational authorities act,"
by amending sections 3, 5, 11, 21, and 23 (MCL 123.1133,
123.1135, 123.1141, 123.1151, and 123.1153), section 21 as
amended by 2002 PA 233.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) "Articles" means the articles of incorporation of an
3 authority.
- 4 (b) "Authority" means a recreational authority established
5 under section 5.
- 6 (c) "Board" means the board of directors of the authority.
- 7 (d) "District" means a portion of a municipality having
8 boundaries coterminous with those of a precinct used for general
9 elections.

1 **(e)** ~~-(d)-~~ "Electors of the authority" means the qualified and
2 registered electors of the participating municipalities who
3 reside within the territory of the authority.

4 **(f)** ~~-(e)-~~ "Largest county" means, of those counties in which
5 a participating municipality is located, the county having the
6 greatest population.

7 **(g)** ~~-(f)-~~ "Municipality" means a city, county, village, or
8 township.

9 **(h)** ~~-(g)-~~ "Park" means an area of land or water, or both,
10 dedicated to 1 or more of the following uses:

11 (i) Recreational purposes, including but not limited to
12 landscaped tracts; picnic grounds; playgrounds; athletic fields;
13 camps; campgrounds; zoological and botanical gardens; **living**
14 **historical farms**; boating, hunting, fishing, and birding areas;
15 swimming areas; and foot, bicycle, and bridle paths.

16 (ii) Open or scenic space.

17 (iii) Environmental, conservation, nature, or wildlife
18 areas.

19 **(i)** ~~-(h)-~~ "Participating municipality" means a municipality
20 **or district** that is named in articles of incorporation or
21 proposed articles of incorporation as joining in the original
22 establishment of an authority, or a municipality **or district** that
23 joins an existing authority and is added to the articles of
24 incorporation, and that has not withdrawn from the authority.

25 **(j)** ~~-(i)-~~ "Swimming pool" includes equipment, structures,
26 areas, and enclosures intended for the use of individuals using
27 or operating a swimming pool, such as equipment, dressing,

1 locker, shower, and toilet rooms.

2 **(k)** ~~-(j)-~~ "Territory of the authority" means the combined
3 territory of the participating municipalities that is served by
4 an authority.

5 Sec. 5. (1) Two or more municipalities **or districts** may
6 establish a recreational authority. A recreational authority is
7 an authority under section 6 of article IX of the state
8 constitution of 1963.

9 (2) To initiate the establishment of an authority, articles
10 of incorporation shall be prepared. The articles of
11 incorporation shall include all of the following:

12 (a) The name of the authority.

13 (b) The names of the participating municipalities.

14 (c) A description of the territory of the authority.

15 (d) The size of the board of the authority, which shall be
16 comprised of an odd number of members; the qualifications, method
17 of selection, and terms of office of board members; and the
18 filling of vacancies in the office of board member. If board
19 members are elected in at large elections by the qualified and
20 registered electors of the participating municipalities, voting
21 collectively, the election of board members shall be conducted
22 pursuant to the same procedures that govern an election for a tax
23 under sections 13 to 17.

24 (e) The purposes for which the authority is established,
25 which shall be the acquisition, construction, operation,
26 maintenance, or improvement of 1 or more of the following:

27 (i) A public swimming pool.

(ii) A public recreation center.

(iii) A public auditorium.

(iv) A public conference center.

(v) A public park.

(f) The procedure and requirements for a municipality **or district** to become a participating municipality in, and for a participating municipality to withdraw from, an existing authority. For a municipality **or district** to become a participating municipality in an existing authority, a majority of the electors of the municipality **or district** proposed to be included in the territory of the authority and voting on the question shall approve a tax that the authority has been authorized to levy by a vote of the electors of the authority under section 11. A municipality **or district** shall not withdraw from an authority during the period for which the authority has been authorized to levy a tax by the electors of the authority.

(g) Any other matters considered advisable.

(3) The articles shall be adopted and may be amended by an affirmative vote of a majority of the members serving on the legislative body of each participating municipality. **If a participating municipality is a district, the articles shall be adopted and may be amended by an affirmative vote of a majority of the members serving on the legislative body of the entire municipality.** Unless the articles provide otherwise, the requirements of this subsection do not apply to an amendment to the articles to allow a municipality **or district** to become a participating municipality in, or to allow a participating

1 municipality to withdraw from, an existing authority.

2 (4) Before the articles or amendments to the articles are
3 adopted, the articles or amendments to the articles shall be
4 published not less than once in a newspaper generally circulated
5 within the participating municipalities. The adoption of
6 articles or amendments to the articles by a municipality **or**
7 **district** shall be evidenced by an endorsement on the articles or
8 amendments by the clerk of the municipality.

9 (5) Upon adoption of the articles or amendments to the
10 articles by each of the participating municipalities, a printed
11 copy of the articles or the amended articles shall be filed with
12 the secretary of state by the clerk of the last participating
13 municipality to adopt the articles or amendments.

14 (6) The authority's articles of incorporation, or amendments
15 to the articles, take effect upon filing with the secretary of
16 state.

17 Sec. 11. (1) An authority may levy a tax of not more than 1
18 mill for a period of not more than 20 years on all of the taxable
19 property within the territory of the authority for the purposes
20 of acquiring, constructing, operating, maintaining, and improving
21 a public swimming pool, public recreation center, public
22 auditorium or conference center, or public park. The authority
23 may levy the tax only upon the approval of a majority of the
24 electors in each of the participating municipalities of the
25 authority voting on the tax on November 6, 2001 or, thereafter,
26 at a statewide general or primary election. The proposal for a
27 tax shall be submitted to a vote of the electors of the authority

1 by resolution of the board.

2 (2) A ballot proposal for a tax shall state the amount and
3 duration of the millage and the purposes for which the millage
4 may be used. A proposal for a tax shall not be placed on the
5 ballot unless the proposal is adopted by a resolution of the
6 board and certified by the board not later than 60 days before
7 the election to the county clerk of each county in which all or
8 part of the territory of the authority is located for inclusion
9 on the ballot. The proposal shall be certified for inclusion on
10 the ballot at the next eligible election, as specified by the
11 board's resolution.

12 (3) If a majority of the electors in each of the
13 participating municipalities of the authority voting on the
14 question of a tax approve the proposal **as provided under**
15 **subsection (1)**, the tax levy is authorized. Not more than 2
16 elections may be held in a calendar year on a proposal for a tax
17 authorized under this act.

18 Sec. 21. (1) An authority may borrow money and issue bonds
19 or notes to finance the acquisition, construction, and
20 improvement of a public swimming pool, a public recreation
21 center, a public auditorium, a public conference center, or a
22 public park, including the acquisition of sites and the
23 acquisition and installation of furnishings and equipment for
24 these purposes.

25 (2) An authority shall not borrow money or issue bonds or
26 notes for a sum that, together with the total outstanding bonded
27 indebtedness of the authority, exceeds 2 mills of the taxable

1 value of the taxable property within the district as determined
 2 under section 27a of the general property tax act, 1893 PA 206,
 3 MCL 211.27a.

4 (3) Bonds or notes issued by an authority are a debt of the
 5 authority and not of the participating municipalities.

6 (4) A tax levied to pay a bond or note obligation by a
 7 recreational authority under this act shall not exceed 5 years
 8 without the approval of a majority of the electors in each of the
 9 participating municipalities of the authority.

10 (5) ~~-(4)-~~ All bonds or notes issued by a recreational
 11 authority under this act are subject to the revised municipal
 12 finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

13 Sec. 23. (1) An authority may issue general obligation
 14 unlimited tax bonds upon approval of a majority of the electors
 15 in each of the participating municipalities of the authority
 16 voting on the question of issuing the bonds. The proposal to
 17 issue general obligation unlimited tax bonds shall be submitted
 18 to a vote of the electors of the authority by resolution of the
 19 board.

20 (2) The language of the ballot proposal shall be in
 21 substantially the following form:

22 "Shall [name of authority], formed by [names of participating
 23 municipalities], borrow the sum of not to exceed _____
 24 dollars (\$_____) and issue its general obligation unlimited
 25 tax bonds for all or a portion of that amount for the purpose of
 26 _____?"

27 This is expected to result in an increase of _____ in the

1 tax levied on property valued at _____ for a period of _____
2 years.

3 Yes [] No []".

4 (3) The election shall be conducted in the manner provided in
5 sections 11 to 17 for an election for a tax. Not more than 2
6 elections on the question of issuing general obligation unlimited
7 tax bonds may be held in a calendar year.

8 (4) If an authority issues general obligation unlimited tax
9 bonds under this section, the board, by resolution, shall
10 authorize and levy the taxes necessary to pay the principal of
11 and interest on the bonds.