



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 222 (as introduced 2-12-09)
Sponsor: Senator John J. Gleason
Committee: Local, Urban and State Affairs

Date Completed: 3-2-09

CONTENT

The bill would amend the Recreational Authorities Act to allow a school district to establish a recreational authority with one or more municipalities.

Under the Act, two or more municipalities or districts may establish a recreational authority for the purpose of the acquisition, construction, operation, maintenance, or improvement of a public swimming pool, recreation center, auditorium, conference center, park, museum, and/or historic farm. "Municipality" means a city, county, village, or township. "District" means a portion of a municipality having boundaries coterminous with those of a precinct used for general elections.

Under the bill, "municipality" would include a school district.

(The Act allows an authority to do all of the following, among other things:

- Purchase or lease real and personal property.
- Apply for grants or contributions from individuals, the Federal government, the State, a municipality, or another public or private agency.
- Hire employees and retain professional services.
- Receive revenue as appropriated by the Legislature or a participating municipality.
- Assess and collect fees for services it provides and expenses it incurs.
- Levy a tax of up to one mill for a period of up to 20 years on all taxable property within the territory of the authority upon the approval of a majority of the electors in each of the participating municipalities of the authority.
- Borrow money and issue bonds or notes.
- Issue general obligation unlimited tax bonds upon the approval of a majority of the electors in each of the participating municipalities of the authority.)

MCL 123.1133

Legislative Analyst: Craig Laurie

FISCAL IMPACT

This legislation could provide some funding flexibility to school districts that chose to create or join recreational authorities and levy up to one mill (with voter approval), if the school districts otherwise would have used their own general funds to pay for a swimming pool, recreation center, auditorium or conference center, or park, all of which must be public facilities under the Recreational Authorities Act.

For districts opting to create or participate in an authority, the bill would increase both revenue and expenditure by an unknown amount. The actual amount of any change would depend upon the costs associated with each authority and the millages approved under the bill.

The bill would have no fiscal impact on State government.

Fiscal Analyst: Kathryn Summers-Coty

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