



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4578 (Substitute H-1 as passed by the House)
Sponsor: Representative Phil Potvin
House Committee: Local Government
Senate Committee: Local Government

Date Completed: 5-10-16

CONTENT**The bill would amend the Recreational Authorities Act to allow a school district to be a participating municipality in a recreational authority.**

The Act allows two or more municipalities or districts to establish a recreational authority, for the purpose of acquiring, constructing, operating, maintaining, or improving one or more of the following:

- A public swimming pool.
- A public recreation center.
- A public auditorium.
- A public conference center.
- A public park.
- A public museum.
- A public historic farm.

Among other things, a recreational authority may levy a millage within its territory and issue bonds and notes to finance its facilities.

The Act defines "municipality" as a city, county, village, or township. The bill would include a school district in that definition.

(The Act defines "district" as a portion of a municipality having boundaries coterminous with those of a precinct used for general elections.)

The bill would take effect 90 days after its enactment and is tie-barred to Senate Bill 481.

(As passed by the Senate, Senate Bill 481 (S-1) would amend the Act to allow a school district to be a participating municipality; provide that a tax levied by an authority could not be used by the authority for any general fund or school operating purposes; allow a tax levied by an authority to be used by a participating municipality for managing the operation of an authority's business pursuant to a contract; and require an authority to consider offering preferences or benefits to the residents of participating municipalities if it levied a tax.)

MCL 123.1133

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no impact on State revenue, but could generate additional revenue to local units of government. If voters in a school district, in addition to the electors of a local unit of government, approved a recreational millage, there would be the potential for additional local revenue due to the expanded tax base, where the municipality's border does not align with the territory of the school district. The additional revenue could be used only for the recreational authority and not for general school operating costs.

Fiscal Analyst: Cory Savino

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.