

HOUSE BILL NO. 4694

June 26, 2025, Introduced by Rep. Markkanen and referred to Committee on Natural Resources and Tourism.

A bill to amend 2000 PA 321, entitled
"Recreational authorities act,"
by amending sections 5, 7, 9, 11, and 21 (MCL 123.1135, 123.1137,
123.1139, 123.1141, and 123.1151), sections 5 and 21 as amended by
2003 PA 135 and section 11 as amended by 2016 PA 173, and by adding
section 10.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

of 1963. A recreational authority under this act constitutes a governmental subdivision or unit of this state and a public body corporate and politic. A recreational authority under this act is a local unit of government or public authority under section 1901 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1901.

(2) To initiate the establishment of an authority, articles of incorporation ~~shall~~**must** be prepared. The articles of incorporation ~~shall~~**must** include all of the following:

(a) The name of the authority.

(b) The names of the participating **municipality or** municipalities.

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

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

(e) The purposes for which the authority is established. ~~which shall be~~**Permissible purposes include** the acquisition, construction, operation, maintenance, or improvement of 1 or more of the following:

(i) A public swimming pool.

(ii) A public recreation center.

(iii) A public auditorium.

1 (iv) A public conference center.

2 (v) A public park.

3 (vi) A public museum.

4 (vii) A public historic farm.

5 **(viii) A public forest and natural resources area.**

6 (f) The procedure and requirements for a municipality or
7 district to become a participating municipality in, and for a
8 participating municipality to withdraw from, an existing authority
9 or to join in the original formation of an authority. For a
10 municipality or district to become a participating municipality in
11 an existing authority or to join in the original formation of an
12 authority, a majority of the electors of the municipality or
13 district proposed to be included in the territory of the authority
14 and voting on the question shall approve a tax that the authority
15 has been authorized to levy by a vote of the electors of the
16 authority under section 11. A municipality or district shall not
17 withdraw from an authority during the period for which the
18 authority has been authorized to levy a tax by the electors of the
19 authority.

20 (g) Any other matters considered advisable.

21 **(h) If the authority's purpose includes the acquisition,**
22 **construction, operation, maintenance, or improvement of a public**
23 **forest and natural resources area, the process by which the**
24 **authority designates property the authority owns as a public forest**
25 **and natural resources area.**

26 (3) The articles ~~shall~~**must** be adopted and ~~may be amended by~~
27 an affirmative vote of a majority of the members serving on the
28 legislative body of each participating municipality. If a
29 participating municipality is a district, the articles ~~shall~~**must**

1 be adopted ~~and may be amended~~ by an affirmative vote of a majority
 2 of the members serving on the legislative body of the entire
 3 municipality. **The amendment of the articles is subject to the**
 4 **voting requirements specified by the articles. If the articles do**
 5 **not specify a voting requirement to amend the articles, the voting**
 6 **requirement to amend the articles is the same as the voting**
 7 **requirement to adopt the articles.** Unless the articles provide
 8 otherwise, the requirements of this subsection do not apply to an
 9 amendment to the articles to allow a municipality or district to
 10 become a participating municipality in, or to allow a participating
 11 municipality to withdraw from, an existing authority.

12 (4) Before the articles or amendments to the articles are
 13 adopted, the articles or amendments to the articles ~~shall~~**must** be
 14 published not less than once in a newspaper generally circulated
 15 within the participating **municipality or** municipalities. The
 16 adoption of articles or amendments to the articles by a
 17 municipality or district ~~shall~~**must** be evidenced by an endorsement
 18 on the articles or amendments by the clerk of the municipality.

19 (5) ~~Upon~~**After** adoption of the articles or amendments to the
 20 articles by each ~~of the participating municipalities,~~**municipality,**
 21 a printed copy of the articles or the amended articles ~~shall~~**must**
 22 be filed with the secretary of state by the clerk of the last
 23 participating municipality to adopt the articles or amendments.

24 (6) The authority's articles of incorporation, or amendments
 25 to the articles, take effect ~~upon~~**on** filing with the secretary of
 26 state.

27 (7) **Subject to this section, the articles of incorporation may**
 28 **include, but are not limited to, any of the following:**

29 (a) **Restrictions on the authority's activities, including, but**

1 not limited to, the sale of the authority's assets or property.

2 (b) If the authority's purpose includes the acquisition,
3 construction, operation, maintenance, or improvement of a public
4 forest and natural resources area, a provision to allow or require
5 the authority to make payments in lieu of taxes to 1 or more other
6 governmental subdivisions or units of this state in which the
7 public forest and natural resources area is located, including a
8 participating municipality. The payment in lieu of taxes may be
9 calculated using a formula agreed to by the authority and the other
10 governmental subdivisions or units of this state.

11 (c) If the authority has more than 1 participating
12 municipality, the allocation of the authority's property, assets,
13 and funds among the municipalities on the dissolution of the
14 authority.

15 (d) If the authority's purpose includes the acquisition,
16 construction, operation, maintenance, or improvement of a public
17 forest and natural resources area, 1 or more of the following:

18 (i) One or more restrictions or limitations on the use of a
19 public forest and natural resources area or portions of a public
20 forest and natural resources area. The use restrictions or
21 limitations may prohibit 1 or more of the uses permitted in a
22 public forest and natural resources area under section 3(j).

23 (ii) A process by which 1 or more restrictions or limitations
24 on the use of a public forest and natural resources area or
25 portions of a public forest and natural resources area are
26 established by the authority, and the amendment or removal of the
27 restrictions or limitations.

28 (e) If the board of the authority is elected, whether the
29 election of the board is partisan or nonpartisan.

1 Sec. 7. (1) A vacancy occurs on the board ~~on the happening of~~
2 **if** any of the events set forth in section 3 of 1846 RS 15, MCL
3 201.3, **occurs**. Appointed members of the board, if any, may be
4 removed by the appointing authority for good cause after a public
5 hearing. Vacancies ~~shall~~**must** be filled in the same manner as the
6 original appointment, **or as otherwise provided in the articles**, for
7 the unexpired term.

8 (2) A majority of the members of the board constitutes a
9 quorum for the purpose of conducting business and exercising the
10 powers of an authority. Official action may be taken by an
11 authority ~~upon~~**on** the vote of a majority of the board members
12 present, unless the authority adopts bylaws requiring a larger
13 number.

14 (3) A member of the board ~~shall not~~**may** receive compensation
15 for services as a member of the board ~~but if approved in the~~
16 **articles and** is entitled to reimbursement for reasonable expenses,
17 including expenses for travel previously authorized by the board,
18 incurred in the discharge of ~~his or her~~**the board member's** duties.

19 (4) The business that an authority ~~may perform shall~~**performs**
20 **must** be conducted at a public meeting of the authority held in
21 compliance with the open meetings act, 1976 PA 267, MCL 15.261 to
22 15.275. Public notice of the time, date, and place of the meeting
23 ~~shall~~**must** be given in the manner required by the open meetings
24 act, 1976 PA 267, MCL 15.261 to 15.275.

25 (5) A writing prepared, owned, or used by an authority in the
26 performance of an official function ~~shall~~**must** be made available in
27 compliance with the freedom of information act, 1976 PA 442, MCL
28 15.231 to 15.246.

29 (6) At its first meeting, a board shall elect a chairperson, a

1 secretary, a treasurer, and any other officers it considers
2 necessary. A board shall meet at least quarterly.

3 (7) A board may adopt bylaws to govern its procedures.

4 (8) A board may establish 1 or more committees to provide
5 advice on specific issues relevant to the authority. The board may
6 determine the qualifications required to serve on a committee
7 created under this subsection. Members of a committee created by a
8 board under this subsection serve at the pleasure of the board.
9 Committees created under this subsection may create volunteer
10 subcommittees that do not serve at the pleasure of the board.

11 Sec. 9. An authority may do 1 or more of the following, as
12 permitted by the authority's articles:

13 (a) Acquire and hold, by purchase, lease with or without
14 option to purchase, grant, gift, devise, land contract, installment
15 purchase contract, bequest, or other legal means, real and personal
16 property inside or outside the territory of the authority. The
17 property may include franchises, easements, or rights of way on,
18 under, or above any property. The authority may pay for the
19 property from, or pledge for the payment of the property, revenue
20 of the authority. **The authority may acquire land from this state,**
21 **including, but not limited to, land from any department,**
22 **subdivision, or unit of this state.**

23 (b) Apply for and accept grants or contributions from
24 individuals, the federal government or any of its agencies, this
25 state, a municipality, or other public or private agencies to be
26 used for any of the purposes of the authority.

27 (c) Hire full-time or part-time employees and retain
28 professional services.

29 (d) Provide for the maintenance of all of the real and

1 personal property of the authority.

2 (e) Assess and collect fees for **use of and access to property**
3 **that the authority owns or manages, and for** services provided by
4 and expenses incurred by the authority.

5 (f) Receive revenue as appropriated by the legislature of this
6 state or a participating municipality **or distribute funds of the**
7 **authority to any participating municipality.**

8 (g) Enter into contracts incidental to or necessary for the
9 accomplishment of the purposes of the authority.

10 (h) **Sell, lease, license, or develop real and personal**
11 **property held by the authority.**

12 (i) Establish an endowment fund or other type of supporting
13 fund to support the purposes of the authority.

14 (j) Subject to applicable laws and contractual obligations of
15 the authority, make and enforce rules for the use of property the
16 authority owns, operates, or manages.

17 (k) Permit and manage sustainable natural resource commercial
18 activities including, but not limited to, both of the following:

19 (i) The development, management, and operation of sustainable
20 commercial forestry.

21 (ii) The sale of carbon or other environmental credits or tax
22 attributes.

23 (l) Manage, maintain, and improve real and personal property
24 inside or outside of the territory of the authority that is not
25 owned by the authority.

26 (m) Develop, construct, repair, and replace improvements to
27 property, including buildings.

28 (n) Sue or be sued in any court of this state.

29 Sec. 10. (1) Except as otherwise provided in this section, if

1 an authority dissolves, all property, funds, and assets of the
2 authority are vested in the participating municipality or
3 municipalities. Except as otherwise provided in the articles of an
4 authority, if an authority dissolves, the debts or liabilities of
5 an authority do not become the debts or liabilities of the
6 participating municipality or municipalities unless the
7 participating municipality or municipalities have agreed to assume
8 those debts or liabilities.

9 (2) If the property owned by an authority was designated by
10 the authority as a public forest and natural resources area, on
11 dissolution of the authority, the designated use of the property
12 must be continued. If the designated use of the property is not
13 continued by the participating municipality or municipalities, the
14 property must revert to this state. The reversionary interest under
15 this subsection is in addition to, and does not alter or supersede,
16 any other reversionary interest the state may hold in the property.

17 (3) If property owned by an authority was designated by the
18 authority as a public forest and natural resources area, the
19 participating municipality or municipalities may elect to waive
20 their right, in full or in part, to the property. If the
21 participating municipality or municipalities waive their right, in
22 full or in part, to the property, the property or portion of the
23 property reverts to this state.

24 (4) If an authority was in existence before the effective date
25 of the amendatory act that added this subsection and the
26 authority's articles address the disposition of the authority's
27 property, funds, and assets on dissolution, the articles control
28 the disposition of the property, funds, and assets on dissolution.

29 (5) Nothing in this act alters or supersedes any third-party

1 **rights, including rights of the state or federal government, in or**
2 **attached to the property owned by an authority.**

3 Sec. 11. (1) An authority may levy a tax of not more than 1
4 mill for a period of not more than 20 years on all of the taxable
5 property within the territory of the authority for the purposes of
6 acquiring, constructing, operating, maintaining, and improving a
7 public swimming pool, public recreation center, public auditorium
8 or conference center, ~~or public park, or public forest and natural~~
9 **resources area.** The authority may levy the tax only ~~upon~~**on** the
10 approval of a majority of the electors in each of the participating
11 municipalities of the authority voting on the tax on November 6,
12 2001 or, thereafter, at a statewide general or primary election.
13 The proposal for a tax ~~shall~~**must** be submitted to a vote of the
14 electors of the authority by resolution of the board.

15 (2) A ballot proposal for a tax ~~shall~~**must** state the amount
16 and duration of the millage and the purposes for which the millage
17 may be used. A proposal for a tax ~~shall~~**must** not be placed on the
18 ballot unless the proposal is adopted by a resolution of the board
19 and certified by the board not later than 60 days before the
20 election to the county clerk of each county in which all or part of
21 the territory of the authority is located for inclusion on the
22 ballot. The proposal ~~shall~~**must** be certified for inclusion on the
23 ballot at the next eligible election, as specified by the board's
24 resolution.

25 (3) If a majority of the electors in each of the participating
26 municipalities of the authority voting on the question of a tax
27 approve the proposal as provided under subsection (1), the tax levy
28 is authorized. Not more than 2 elections may be held in a calendar
29 year on a proposal for a tax authorized under this act.

1 (4) The proceeds of a tax levied under this section ~~shall~~**must**
2 only be used by the authority for those purposes described in this
3 section and ~~shall~~**must** not be used by the authority for either of
4 the following:

5 (a) Except as otherwise provided in subsection (5), any
6 general fund purposes by any participating municipality.

7 (b) Any school operating purposes, as that term is defined in
8 section 20 of the state school aid act of 1979, 1979 PA 94, MCL
9 388.1620, by any participating municipality that is a school
10 district.

11 (5) The proceeds of a tax levied under this section may be
12 used for general fund purposes by a participating municipality if
13 the proceeds used are directly related to managing the operation of
14 the business of the authority pursuant to a contract between the
15 authority and that participating municipality.

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

23 (2) An authority shall not borrow money or issue bonds or
24 notes for a sum that, together with the total outstanding bonded
25 indebtedness of the authority, exceeds 2 mills of the taxable value
26 of the taxable property within the district as determined under
27 section 27a of the general property tax act, 1893 PA 206, MCL
28 211.27a.

29 (3) Bonds or notes issued by an authority are a debt of the

1 authority and not of the participating municipalities.

2 (4) A tax levied to pay a bond or note obligation by a
3 recreational authority under this act ~~shall~~**must** not exceed 5 years
4 without the approval of a majority of the electors in each of the
5 participating municipalities of the authority.

6 (5) All bonds or notes issued by a recreational authority
7 under this act are subject to the revised municipal finance act,
8 2001 PA 34, MCL 141.2101 to 141.2821.

9 Enacting section 1. This amendatory act does not take effect
10 unless all of the following bills of the 103rd Legislature are
11 enacted into law:

12 (a) Senate Bill No. ____ (request no. S01810'25 a) or House
13 Bill No. ____ (request no. H01810'25 a).

14 (b) Senate Bill No. ____ (request no. S01811'25) or House Bill
15 No. ____ (request no. H01811'25).