RESORT DISTRICT REHABILITATION ACT
Act 59 of 1986

AN ACT to authorize the establishment of a resort district authority; to prescribe its powers and duties; to correct and prevent deterioration in resort districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of rehabilitation plans in the districts; to create a board and to prescribe its powers and duties; to authorize the levy and collection of taxes; and to authorize the issuance of bonds and other evidences of indebtedness.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

The People of the State of Michigan enact:

125.2201 Short title.

Sec. 1. This act shall be known and may be cited as the “resort district rehabilitation act”.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2202 Definitions.

Sec. 2. As used in this act:

(a) "Authority" means a resort district authority created pursuant to this act.

(b) "Board" means the governing body of an authority.

(c) "Operation" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the authority and planning of its activities.

(d) "Rehabilitation" means construction, reconstruction, repair, or maintenance of a road, street lighting, a sanitary sewer, a storm sewer, storm water drainage facilities, or a flood control project within a resort district, or establishment and operation of a system of garbage collection within the resort district.

(e) "Rehabilitation plan" means a plan as described in section 15.

(f) "Resort district" means an area that encompasses a natural geographic feature used for recreation, such as an inland lake or the Great Lakes shoreline, that is specifically designated by resolution and approved as provided in this act, and a portion of which is land that is or was a part of a resort association incorporated under 1 of the following:

(*i*) 1897 PA 230, MCL 455.1 to 455.24.

(*ii*) 1889 PA 39, MCL 455.51 to 455.72.

(*iii*) 1887 PA 69, MCL 455.101 to 455.113.

(*iv*) 1929 PA 137, MCL 455.201 to 455.220.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986;—Am. 2013, Act 245, Imd. Eff. Dec. 26, 2013.

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125.2203 Resort district authority; establishment; inclusion of parcel of property; approval by resolution; nature and powers of authority; tax limitations.

Sec. 3. (1) A township may establish a resort district authority. A parcel of property shall not be included in more than 1 authority created under this act. A parcel of property that is in a village shall not be included in a resort district established by a township except upon approval by resolution of the governing body of the village and subject to such conditions as may be set forth in the resolution.

(2) The authority shall be a public body corporate which may sue and be sued in any court of this state. The authority possesses all the powers necessary to carry out the purposes of its incorporation. The enumeration of a power in this act shall not be construed as a limitation upon the general powers of the authority.

(3) An authority is intended and shall be considered to be an authority the tax limitations of which are provided by charter or general law within the meaning of section 6 of article IX of the state constitution of 1963.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2204 Resolution of intent to create and provide for operation of authority; public hearing; notice; right to be heard.

Sec. 4. (1) If a township board determines that it is in the best interests of the public to halt or prevent property deterioration or increase property valuation where possible in a resort district, or to eliminate the causes of that deterioration, the township board may declare by resolution the intention to create and provide

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for the operation of an authority. In the resolution of intent, the township board shall set a date for holding a public hearing on adopting an ordinance or resolution creating the authority and establishing the board.

(2) Notice of the public hearing shall be published twice in a newspaper of general circulation in the township, not less than 20 nor more than 40 days before the date of the hearing.

(3) A resident, taxpayer, or property owner of the township has the right to be heard in regard to the establishment of the authority.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2205 Ordinance or resolution establishing authority; filing; publication.

Sec. 5. After the public hearing, if the township board intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, an ordinance or resolution establishing the authority. The ordinance or resolution shall promptly be filed with the secretary of state after its adoption and shall be published at least once in a newspaper of general circulation in the township.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2206 Board; appointment, qualifications, and terms of members; vacancy; compensation; election of chairperson; oath of office.

Sec. 6. (1) The authority shall be under the supervision and control of a board. The board shall consist of 2 elected officials of the township, 2 residents of the resort district, and 1 individual designated by the industrial or commercial facility, located within the township, that has the highest state equalized valuation as of December 31 of the year preceding the year of the designation. The board members shall be appointed or designated within 30 days after adoption of the ordinance or resolution under section 5.

(2) A member shall be appointed by the township supervisor subject to approval by the township board. Of the 2 resident members first appointed, 1 shall be appointed for a term expiring December 31 of the year after the year of appointment and 1 for a term expiring December 31 of the third year after the year of appointment. Thereafter, each resident member shall serve for a term of 4 years. A member shall hold office until the member's successor is appointed. An appointment to fill a vacancy shall be made by the township supervisor for the unexpired term.

(3) If approved by the township board, a board member shall receive compensation limited to a reasonable per diem which shall include actual and necessary expenses.

(4) The chairperson of the board shall be elected by the board from among its members. Before assuming the duties of office, a board member shall qualify by taking and subscribing to the constitutional oath of office provided in section 1 of article XI of the state constitution of 1963.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986;—Am. 2013, Act 245, Imd. Eff. Dec. 26, 2013.

125.2207 Determination and submission of proposed boundaries and millage to township board; approval by resolution; election; notice; approval of proposition.

Sec. 7. (1) The board shall determine the boundaries of the proposed resort district. Subject to the limitations of section 8, the board shall determine the millage necessary for rehabilitation of the resort district. The board shall submit the proposed boundaries and millage to the township board. If the township board approves the boundaries and millage by resolution, ordinance, or otherwise, the boundaries and millage shall be submitted to a vote of the electors who reside in the proposed resort district. An election shall not be held under this section after December 31, 1987.

(2) Notice of the election shall be published twice in a newspaper of general circulation in the township, not less than 5 and not more than 10 days before the date of the election. Notice of the election shall be posted in not less than 20 conspicuous and public places in the proposed resort district not less than 20 days before the election. The notice shall state the date of the election and shall describe the boundaries of the proposed resort district.

(3) If a majority of the electors voting on the question approve the proposition, then the resort district is established and the authority is authorized to levy the millage up to the amount and duration specified in the proposition.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2208 Ad valorem tax on property located in resort district; mills; limitation; collection; disposition; borrowing money and issuing notes; extension of tax.

Sec. 8. (1) Subject to the provisions of section 7, an authority may levy an ad valorem tax on the taxable value of the real and tangible personal property located in the resort district and not exempt by law. The tax shall not be more than 3 mills for a period of not more than 5 years. The tax shall be collected by the township

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creating the authority levying the tax. The township shall collect the tax at the same time and in the same manner as it collects its other ad valorem taxes. The tax shall be paid to the treasurer of the authority and credited to the general fund of the authority for purposes of the authority.

(2) An authority may borrow money and issue its notes for that money pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation of collection of the ad valorem tax authorized in this section.

(3) Except as provided in subsection (4), the authority may extend the tax levied under this section for periods of not more than 5 years. An extension of the tax shall not be more than 3 mills. An extension shall not be levied unless, before September 15 of the year following the year in which a previously approved tax levy expires, the extension is approved by a majority of the electors who reside in the resort district and who vote on the proposition.

(4) If a tax levy has been previously levied and approved by a majority of electors who reside within the resort district on 2 previous occasions, the authority may extend the tax levied under this section for a period of not more than 10 years. An extension of the tax shall not be more than 3 mills. An extension under this subsection shall not be levied unless, before September 15 following the year in which a previously approved tax levy expires, the extension is approved by a majority of the electors who reside in the resort district and who vote on the proposition.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986;—Am. 1996, Act 209, Imd. Eff. May 22, 1996;—Am. 2002, Act 236, Imd. Eff. Apr. 29, 2002.

125.2209 Conducting business at public meeting; notice; procedural rules; meetings; removal of member; review; expense items; financial records; writings available to public.

Sec. 9. (1) The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. The board shall adopt rules consistent with Act No. 267 of the Public Acts of 1976 governing its procedure and the holding of regular meetings, subject to the approval of the township board. Special board meetings may be held if called in the manner provided in the rules of the board.

(2) Pursuant to notice and after having been given an opportunity to be heard, a board member may be removed for cause by the township board. Removal of a member is subject to review by the circuit court.

(3) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.

(4) In addition to the items and records prescribed in subsection (3), a writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2210 Director.

Sec. 10. (1) Subject to the approval of the township board, the board may employ and fix the compensation of a director or may enter into a contract with an individual, the township, a corporation, or other legal entity to perform the functions of the director. The director shall serve at the pleasure of the board. A board member shall not be eligible to hold the position of director or acting director. Before entering upon the duties of office, the director shall take and subscribe to the constitutional oath of office, and shall furnish bond by posting a bond in the penal sum determined in the ordinance establishing the authority, which bond is payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. The premium on the bond shall be considered to be an operating expense of the authority, payable from funds available to the authority for operating expenses.

(2) The director shall be the chief executive officer of the authority. Subject to the board's approval, the director shall supervise, and be responsible for, preparing plans and performing the functions of the authority in the manner authorized by this act. The director shall attend board meetings and shall provide the board and township board with a regular report covering the activities and financial condition of the authority.

(3) If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of office, the acting director shall take and subscribe to the oath of office and furnish bond as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

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125.2211 Employment of personnel; contracts.

Sec. 11. The board may employ other personnel considered necessary by the board including, but not limited to, a treasurer and secretary. The board may enter into a contract with an individual, the township, a corporation, or other legal entity to perform the duties of a treasurer, secretary, or other functions the board considers necessary.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2212 Powers of board.

Sec. 12. The board may do any of the following:

(a) Prepare an analysis of infrastructure changes taking place in the resort district.

(b) Plan and propose rehabilitation within the resort district.

(c) Implement any plan of rehabilitation in the resort district necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.

(d) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(e) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper, or own, convey, or otherwise dispose of, or lease as lessor or lessee, land or other property, real or personal, or rights or interests in land or other property, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect to the property.

(f) Fix, charge, and collect fees, rents, and charges for the use of a building or property under its control or a part of such a building or property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(g) Lease a building or property under its control, or a part of such a building or property.

(h) Accept grants and donations of property, labor, or other things of value from a public or private source.

(i) Acquire and construct public facilities.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2213 Revenue bonds.

Sec. 13. The authority may borrow money and issue its negotiable revenue bonds for that money pursuant to the revenue bond act of 1933, Act No. 94 of the Public Acts of 1933, being sections 141.101 to 141.139 of the Michigan Compiled Laws. Except as otherwise provided in this act, a revenue bond issued by the authority shall not be considered a debt of the township or the state. By majority vote of the members of the township board, the township may make a limited tax pledge of its full faith and credit to support the authority's revenue bonds.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2214 Bonds to finance rehabilitation plan.

Sec. 14. (1) If authorized in the ordinance or resolution of the township creating the authority, by resolution of its board, and subject to the limitations set forth in this section, the authority may authorize, issue, and sell its bonds to finance a rehabilitation plan. The bonds shall mature not later than the last year for which the authority is entitled to levy an ad valorem tax pursuant to section 8 and shall be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) If electors have approved the millage pursuant to section 7, the township board may, by a majority vote of its members make a limited tax pledge of its full faith and credit for the payment of principal and interest on the authority's bonds issued pursuant to this section.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986;—Am. 2002, Act 236, Imd. Eff. Apr. 29, 2002.

125.2215 Rehabilitation plan; preparation; contents.

Sec. 15. (1) If a board decides to finance the rehabilitation of the resort district by the use of revenue bonds as authorized in section 13 or 14, the board shall prepare a rehabilitation plan.

(2) The rehabilitation plan shall contain all of the following:

(a) The designation of boundaries of the resort district in relation to highways, streets, streams, or otherwise.

(b) The location and extent of existing roads, sewers, and drains within the resort district.

(c) A description of existing improvements in the resort district to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(d) The location, extent, character, and estimated cost of the improvements including rehabilitation

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contemplated for the resort district and an estimate of the time required for completion.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of desired changes in streets, street levels, intersections, and utilities.

(g) An estimate of the cost of the rehabilitation with a statement of the proposed method of financing the rehabilitation and the ability of the authority to arrange the financing.

(h) Other material which the authority, local public agency, or township board considers pertinent.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2216 Rehabilitation plan; public hearing; notice; opportunity for interested persons to be heard; receipt and consideration of written communications; opinions; arguments; documentary evidence; record of hearing.

Sec. 16. (1) Before adopting a resolution approving a rehabilitation plan, the township board shall hold a public hearing on the rehabilitation plan. In addition to the notice requirements of the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws, notice of the time and place of the hearing shall be given by publication 3 times in a newspaper of general circulation designated by the township, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the resort district not less than 20 days before the hearing.

(2) Notice of the time and place of hearing on a rehabilitation plan shall contain a description of the resort district in relation to highways, streets, streams, or otherwise; a statement that maps, plats, and a description of the rehabilitation plan are available for public inspection at a place designated in the notice; and a statement that all aspects of the rehabilitation plan are open for discussion at the public hearing. The notice may include other information that the township board considers appropriate.

(3) At the time set for the hearing, the township board shall provide an opportunity for interested persons to be heard and shall receive and consider written communications with reference to the testimony. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the rehabilitation plan. The township board shall make and preserve a record of the public hearing, including all data presented at the hearing.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

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125.2217 Rehabilitation plan as constituting public purpose; approval or rejection of plan; consideration; amendments to plan.

Sec. 17. (1) After a public hearing on the rehabilitation plan as provided in section 16, the township board shall determine whether the rehabilitation plan constitutes a public purpose. If it determines that the rehabilitation plan constitutes a public purpose, the township board, by resolution, shall approve or reject the plan, or approve it with modification, based on all of the following considerations:

(a) The plan meets the requirements set forth in section 15.

(b) The proposed method of financing the rehabilitation is feasible and the authority has the ability to arrange the financing.

(c) The rehabilitation is reasonable and necessary to carry out the purposes of this act.

(d) The rehabilitation plan is in reasonable accord with the master plan of the township.

(2) Amendments to an approved rehabilitation plan shall be submitted by the authority to the township board for approval or rejection.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

125.2218 Budget; assessment.

Sec. 18. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. Before the budget may be adopted by the board, the budget shall be approved by the township board. Funds of the township shall not be included in the budget of the authority except those funds authorized in this act or by the township board.

(2) If the township does not impose a property tax administration fee as provided in the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws, the township board may assess against the funds of the authority an amount equal to the actual cost of collecting those funds, which amount shall not exceed 1% of the amount collected under the ad valorem tax levied under this act.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

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125.2219 Dissolution of authority; resolution; disposition of property and assets.

Sec. 19. An authority which has completed the purposes for which it was organized shall be dissolved by resolution of the township board. The property and assets of the authority remaining after the satisfaction of the obligations of the authority shall belong to the township.

History: 1986, Act 59, Imd. Eff. Mar. 26, 1986.

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