



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 481 (Substitute S-1 as reported)
Sponsor: Senator Darwin L. Booher
Committee: Local Government

CONTENT

The bill would amend the Recreational Authorities Act to allow a school district to be a participating municipality in a recreational authority; provide that a tax levied by an authority could be used only for the purposes specified in the Act and could not be used by the authority for any general fund or school operating purposes; and require an authority that levied a tax to consider offering preferences or benefits (such as discounted admission or membership fees) to the residents of participating municipalities.

The Act allows two or more municipalities, or parts of municipalities, to establish an authority for certain recreational purposes. The Act defines "municipality" as a city, county, village, or township. The bill would include a school district in that definition.

The Act allows a recreational authority, with voter approval, to levy a tax of not more than one mill for up to 20 years on all of the taxable property within the authority's territory. The bill specifies that the proceeds of the tax could not be used by the authority for any general fund purposes of a participating municipality or any school operating purposes of a participating school district. A participating municipality could use the proceeds, however, for general fund purposes directly related to managing the authority pursuant to a contract between the authority and the municipality.

The bill would take effect 90 days after its enactment.

MCL 123.1133 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

To the extent that including a school district as a municipality that can establish (with another municipality) or join a recreational authority would increase the frequency of recreational authority formation or expand the territory of an existing authority, the bill could result in an increase in recreational authority property tax revenue and spending. Approval of the school district voters would be required for a school district to join an existing authority or participate in founding a new recreation authority.

The bill would have no fiscal impact on the State.

Date Completed: 11-13-15

Fiscal Analyst: Elizabeth Pratt