

HOUSE BILL NO. 6124

November 14, 2024, Introduced by Reps. Hill, Morgan, Price and Hood and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 2000 PA 321, entitled
"Recreational authorities act,"
by amending sections 5, 7, and 9 (MCL 123.1135, 123.1137, and
123.1139), section 5 as amended by 2003 PA 135, 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
4 of 1963. **A recreational authority under this act constitutes a**

1 **governmental subdivision or unit of this state and a public body**
2 **corporate and politic.**

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

6 (a) The name of the authority.

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

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

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

19 (e) The purposes for which the authority is established. ~~7~~
20 ~~which shall be~~ **Permissible purposes include** the acquisition,
21 construction, operation, maintenance, or improvement of 1 or more
22 of the following:

23 (i) A public swimming pool.

24 (ii) A public recreation center.

25 (iii) A public auditorium.

26 (iv) A public conference center.

27 (v) A public park.

28 (vi) A public museum.

29 (vii) A public historic farm.

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

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

16 (g) Any other matters considered advisable.

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

22 (3) The articles ~~shall~~**must** be adopted and ~~may be amended by~~
 23 an affirmative vote of a majority of the members serving on the
 24 legislative body of each participating municipality. If a
 25 participating municipality is a district, the articles ~~shall~~**must**
 26 be adopted and ~~may be amended by~~ an affirmative vote of a majority
 27 of the members serving on the legislative body of the entire
 28 municipality. **The amendment of the articles is subject to the**
 29 **voting requirements specified by the articles. If the articles do**

1 not specify a voting requirement to amend the articles, the voting
2 requirement to amend the articles is the same as the voting
3 requirement to adopt the articles. Unless the articles provide
4 otherwise, the requirements of this subsection do not apply to an
5 amendment to the articles to allow a municipality or district to
6 become a participating municipality in, or to allow a participating
7 municipality to withdraw from, an existing authority.

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

15 (5) Upon adoption of the articles or amendments to the
16 articles by each ~~of the participating municipalities,~~**municipality,**
17 a printed copy of the articles or the amended articles ~~shall~~**must**
18 be filed with the secretary of state by the clerk of the last
19 participating municipality to adopt the articles or amendments.

20 (6) The authority's articles of incorporation, or amendments
21 to the articles, take effect upon filing with the secretary of
22 state.

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

25 (a) The ability to remove elected members of the board of the
26 authority for cause, after a public hearing, by a unanimous vote of
27 the remaining board members. Cause may be defined by the articles
28 or by the bylaws of the authority. The ability under this
29 subdivision is in addition to any removal or recall process

1 provided for under law with respect to elected board members.

2 (b) Restrictions on the authority's activities, including, but
3 not limited to, the sale of the authority's assets or property.

4 (c) If the authority's purpose includes the acquisition,
5 construction, operation, maintenance, or improvement of a public
6 forest and natural resources area, a provision to allow, but not
7 require, the authority to make payments in lieu of taxes to 1 or
8 more other governmental subdivisions or units of this state in
9 which the public forest and natural resources area is located,
10 including a participating municipality. The payment in lieu of
11 taxes may be calculated using a formula agreed to by the authority
12 and the other governmental subdivisions or units of this state.

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

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

20 (i) One or more restrictions or limitations on the use of a
21 public forest and natural resources area or portions of a public
22 forest and natural resources area.

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. The use restrictions or limitations
28 may prohibit 1 or more of the uses permitted in a public forest and
29 natural resources area under section 3(j).

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

13 (3) A member of the board ~~shall not~~**may** receive compensation
14 for services as a member of the board ~~but~~**if approved in the**
15 **articles of incorporation and** is entitled to reimbursement for
16 reasonable expenses, including expenses for travel previously
17 authorized by the board, incurred in the discharge of ~~his or her~~
18 **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~~ **Subject to the authority's articles, an** authority
12 may do 1 or more of the following:

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 services provided by and
3 expenses incurred by the authority.

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

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

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

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

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

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

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

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

22 Sec. 10. (1) Except as otherwise provided in this section, if
23 an authority dissolves, all property, funds, and assets of the
24 authority are vested in the participating municipality or
25 municipalities.

26 (2) If the property owned by an authority was designated by
27 the authority as a public forest and natural resources area, on
28 dissolution of the authority, the designated use of the property
29 must be continued. If the designated use of the property is not

1 continued by the participating municipality or municipalities, the
2 property must revert to this state. The reversionary interest under
3 this subsection is in addition to, and does not alter or supersede,
4 any other reversionary interest the state may hold in the property.

5 (3) If property owned by an authority was designated by the
6 authority as a public forest and natural resources area, the
7 participating municipality or municipalities may elect to waive
8 their right, in full or in part, to the property. If the
9 participating municipality or municipalities waive their right, in
10 full or in part, to the property, the property or portion of the
11 property reverts to this state.

12 (4) If an authority was in existence before the effective date
13 of the amendatory act that added this subsection and the
14 authority's articles address the disposition of the authority's
15 property, funds, and assets on dissolution, the articles control
16 disposition of the property, funds, and assets on dissolution.

17 (5) Nothing in this act alters or supersedes any third-party
18 rights, including rights of the state or federal government,
19 attached to the property owned by an authority.

20 Enacting section 1. This amendatory act does not take effect
21 unless Senate Bill No.____ or House Bill No.____ (request no.
22 06625'24) of the 102nd Legislature is enacted into law.