

## **Penal Fines and Public Libraries Frequently Asked Questions**

- Q1. What is the Michigan law that governs the distribution of penal fines to libraries?  
A1. Public Act 59 of 1964 “[Distribution of Penal Fines to Public Libraries.](#)” (see page 144).
- Q2. Are penal fines considered state funds or local funds for the purposes of the annual state aid application completed by public libraries?  
A2. Penal fines are considered local funding.
- Q3. Who collects and distributes penal fines?  
A3. The county treasurer’s office in each Michigan county does.
- Q4. When do the county treasurers make penal fines payments to public libraries?  
A4. Counties are required by law to distribute penal fines before August 1 of each year. Most counties make annual payments, although there are a few counties that distribute monthly, quarterly, or semi-annually. However, the first payment, full or partial, must be made before August 1.
- Q5. How do the county treasurers know how to disburse the collected penal fines from the past year so that each library gets its proportionate amount?  
A5. Public Act 59 of 1964 requires the Library of Michigan to transmit prior to July 15 of each year to the clerk and treasurer of each county a statement of the public libraries or the library boards (established under section 3 of the Act) in his county that are entitled to receive penal fines and the population served by each.
- Q6. Practically speaking, what is the process that the Library of Michigan follows to meet this requirement?  
A6. For the past several decades the Library of Michigan’s process for meeting the requirements of the law has been the following:

On **June 30** of each year, the Library of Michigan determines what legally established public libraries are in operation and **what contracts for provision of public library service are in place throughout the state on that date.** The Library of Michigan determines what population is served (the number of residents in the legal service area, including service contract areas) by each public library on June 30.

Prior to July 15 the Library of Michigan transmits those population numbers and identifies the public library serving each population to the county treasurers. These are the numbers used by the county treasurers to

determine the per capita dollar distribution of penal fines collected in the year prior.

- Q7. If my public library provides library service under contract to another municipality's population, when does the service contract have to be in place in order for my library to receive the penal fines to be distributed by my county?
- A7. The snapshot of public library service in place, whether by library establishment or library service contract, is **June 30 of each year**. If a library service contract ends prior to June 30, the population served by that contract will not be assigned to the library whose service contract ended prior to June 30.
- Q8. So, are the populations certified by the Library of Michigan to the county treasurers based upon library service that has happened during the year prior to the snapshot?
- A8. No. The snapshot on June 30 determines the populations served, and the penal fines disbursed by the counties. Penal fines are distributed based on the libraries serving the populations on June 30. Library service prior to that and through June 29 of any year does not qualify for the purposes of penal fines disbursement in any given year.
- Q9. What about counties that disburse penal fines on a monthly basis rather than annually?
- A9. The first month's disbursement matches the process defined for the annual disbursement. If public library service and the populations served change during the course of the ensuing year, the Library of Michigan alerts the counties in question of the changes as it is notified of changes by the library providing the service. The county treasurer adjusts the disbursements monthly as those changes are made. So, if a library service contract ends on September 30 in a county that disburses penal fines monthly, the Library of Michigan alerts the county treasurer that the population served prior to September 30 of that year is no longer served by that library. The county will not disburse the penal fines for that specific population to that library in the October payments. Instead, the county treasurer will either put the amount covering the per capita rate for that now unserved population into an escrow account on behalf of that unserved municipality or will make the payment to a different library that now serves the population/municipality in question.
- Q10. Can the Library of Michigan issue waivers in the process that defines what public libraries are eligible to receive penal fines from their county treasurers under the law?
- A10. No. The Library of Michigan only certifies the populations served (or unserved) by public library service. The Library of Michigan does not

have any authority to disburse penal fines or issue waivers for any circumstances related to penal fines distribution.

Q11. When should a public library notify the Library of Michigan of changes in service areas that affect the populations served by my library?

A11. Any service area changes should be reported to the Library of Michigan as soon as the changes are known. The Library of Michigan will not notify counties of population changes until the month following the actual effective date of the changes. To ensure the Library of Michigan's library service population records are up to date, best practice includes providing written notification to the Library of Michigan regarding any impending contract cancellation and/or contract implementation.