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# Michigan District Library Law

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## Contents

INTRODUCTION.....	4
I. ESTABLISHMENT .....	5
A. Steps to Establish a District Library .....	5
B. Resolutions of Participating Municipalities .....	6
C. Resolution of Public Library Board .....	5
D. District Library Agreement .....	5
E. Library of Michigan Filing Requirements .....	7
F. Miscellaneous Considerations .....	8
II. FUNDING.....	8
a. Districtwide Millages .....	8
b. Local Millages.....	9
c. Appropriations.....	9
d. Bond Issues .....	10
III. DISTRICT LIBRARY BOUNDARIES.....	10
a. Adding New Participating Municipalities.....	10
b. Withdrawing from the District.....	10
c. District Consolidation .....	11
d. Changing the District Library Millage to Attract New Participating Municipalities.....	12
IV. TIPS TO CONSIDER .....	13
A. Steps to consider before effective date of new district library.....	13
B. After Establishment Date.....	14
C) Financial.....	15
D) Municipalities .....	15
E) Public--Make every effort to provide them with opportunities to understand transition .....	16
F) Need to notify each vendor of new library name as well as the new federal tax ID #.....	16
G) Other.....	16
VI. APPENDIX.....	17

## INTRODUCTION

Michigan's District Library Establishment Act, effective 22 May 1989, allows two or more municipalities to join together to form a district library. District library boards control district libraries and are taxing authorities pursuant to the Michigan Constitution, Article IX, section 6. As taxing authorities, the district library boards have the power to place a districtwide library millage question on the ballot for voter approval.

The purpose of this publication is to aid communities in establishing district libraries. This applies to communities that currently have legally-established public libraries, as well as those which do not. Current public libraries may wish to consider establishment as district libraries because of the independence of the district library board and because of the potential for a separate and stable districtwide millage.

This publication should not, however, be a community's sole source of information for establishing a district library. Municipalities that are in the process of establishing a district library should work with an attorney to complete and file the necessary documentation. The local public library cooperative director, the Library Law Specialist at the Library of Michigan, and local election officers should also be consulted.

This publication covers three major areas of district libraries: (1) **establishment** (including the selection of participating municipalities, board structure, the district library agreement, proper filing with the Library of Michigan, and other miscellaneous considerations), (2) **funding** (including various options such as districtwide millages, local millages, local appropriations, and bond-issues), and (3) **district library boundaries** (including adding a participating municipality, withdrawing, and district consolidation). For further assistance, please contact the Library Law Specialist at the Library of Michigan. **All the information in this booklet is provided as an information service of the Library of Michigan. It is not legal advice and should not be used to substitute for obtaining the professional services of an attorney.**

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## I. ESTABLISHMENT

To establish a district library, at least two municipalities must agree to join to provide library service. The statute defines a “municipality” as a city, village, school district, township, or county. The municipalities that join to establish a district library are referred to as “participating municipalities” in the statute.

### A Steps to Establish a District Library

If two or more municipalities wish to establish a district library, the following steps are suggested:

1. **Preliminary meetings:** Representatives from the governing boards of the municipalities and the current public library, as well as other interested citizens, meet to discuss the various options of establishing a district library. These preliminary discussions focus on (a) the advisability of establishing a district library in the particular community and (b) which municipalities would be “participating.”
  2. **Resolutions:** The governing boards of the participating municipalities may adopt resolutions to work with the other participating municipalities to plan toward establishing a district library. The resolutions appoint representatives to a District Library Planning Committee and indicate that all participating municipalities will enter into a District Library Agreement.
  3. **District Library Planning Committee:** Representatives from the participating municipalities, from the current public library, and other interested citizens are selected by the participating municipalities and library to form a District Library Planning Committee. The charge of this group is to decide (a) the “participating municipalities,” (b) board structure (appointed or elected and number of board members), and (c) other agreement provisions required by 1989 PA 24.
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4. **District Library Agreement:** An attorney for the participating municipalities draws up a District Library Agreement based on decisions made by the District Library Planning Committee and agreed to by all of the participating municipalities. This agreement is signed by the participating municipalities and approved by all current public library boards within the district. All participating municipalities adopt resolutions to establish the district library.
5. **Filing With the Library of Michigan:** The resolutions and signed District Library Agreement are filed with the State Librarian at the Library of Michigan. The State Librarian has 30 days in which to approve or disapprove the establishment of the district library.
6. **Districtwide Library Millage:** If the District Library Agreement states that the district library establishment will not be permanent until a districtwide library millage is approved by the voters, then the district library board places a millage question on the ballot within the specified time period. If a districtwide millage is required for establishment, and if the voters approve a district library millage, then the election results are filed with the Library of Michigan in order to “finalize” approval of the district library status. If no successful districtwide millage is obtained within the time specified in the agreement, then the Library of Michigan will declare that the district library is terminated.

**B. Resolutions of Participating Municipalities**

As part of the formation process, the legislative bodies interested in forming a district library often adopt two resolutions. First, they may adopt a resolution regarding the District Library Planning Committee. Second, once the District Library Planning Committee has completed a district library agreement or the agreement is otherwise prepared, the legislative body of each participating municipality must adopt a resolution pursuant to Section 3(1)(b) 1989 PA 24 providing for the establishment of a district library and approving a district library agreement.

- The first resolution is a statement by the legislative body indicating that it wishes to establish a district library with other municipalities. This resolution approves the formation of a District Library Planning Committee made up of representatives from all interested municipalities and the library. The purpose of the Committee is to develop a District Library Agreement. This resolution is recommended, but it is not required by statute.

**SAMPLE: The first resolution of the legislative body**

The \_\_\_\_\_ township board hereby resolves:

1. That it is interested in joining with the city of \_\_\_\_\_ to establish a district library pursuant to 1989 PA 24;
2. That it will appoint two representatives from the township to the District Library Planning Committee, which is charged with preparing a District Library Agreement; and
3. That if the District Library Agreement is acceptable to the township board, it will adopt a resolution to establish a district library and to sign the Agreement.

- The second resolution of the legislative body is adopted after the District Library Planning Committee has drafted an acceptable District Library Agreement. This resolution states that the municipality resolves (i) to establish a district library with the other municipalities and (ii) to approve the District Library Agreement. This resolution is required by statute.

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**SAMPLE: The second resolution of the legislative body**

Whereas, the \_\_\_\_\_ township board finds that the District Library Agreement presented by the District Library Planning Committee is acceptable, the township board hereby resolves:

1. That it establishes a district library with the city of \_\_\_\_\_ pursuant to 1989 PA 24;
2. That it approves the District Library Agreement and that it directs the board chair to sign the District Library Agreement on behalf of the \_\_\_\_\_ township board.

**C. Resolution of Public Library Board**

If the proposed district contains a legally established public library, the governing library board must adopt a resolution approving the establishment of a district library and approving the District Library Agreement. The public library board may adopt resolutions to transfer certain assets of the public library to the new district library board.

**SAMPLE: The public library board resolution**

Whereas, the \_\_\_\_\_ township board and the \_\_\_\_\_ city council have adopted resolutions to establish a district library, and

Whereas, the \_\_\_\_\_ public library is a legally established public library within the proposed district, and

Whereas, section 3(1)(a), 1989 PA 24, requires approval of the governing board of such a public library,

The \_\_\_\_\_ public library board hereby resolves:

1. That it approves the establishment of a district library made up of the \_\_\_\_\_ township and \_\_\_\_\_ city; and
2. That it approves the District Library Agreement and directs the library board chair to sign that agreement on behalf of the \_\_\_\_\_ public library board.
3. That it agrees to transfer its ownership in the property of the public library to the new district library board.

**D. District Library Agreement**

The District Library Establishment Act, 1989 PA 24 mandates that legislative bodies of the participating municipalities enter into a District Library Agreement. If the proposed district contains a public library, the governing board of the public library must also approve the District Library Agreement. *NOTE: This applies only to governing boards of public libraries that are recognized by the Library of Michigan as lawfully established for purposes of the distribution of state aid and penal fines. It does not apply to advisory boards, to boards of branch libraries, or to other boards of libraries not recognized by the Library of Michigan.*



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Section 4(1), 1989 PA 24, provides that the District Library Agreement must include the following provisions:

- (a) **Participating Municipalities:** The District Library Agreement must identify the participating municipalities establishing the district library. If a participating municipality includes less than its entirety (for example, a county which contains public libraries whose service area is excluded from the proposed district), then the District Library Agreement must specify which parts of the municipality are included in the proposed district.
- (b) **District Library Board:** The District Library Agreement must indicate whether the district library board will be appointed or elected. If the board is to be appointed, the District Library Agreement must state the term of office, the total number of board members (no less than five and no more than eight), and the number of board members to be appointed by each participating municipality. If the board members are to be elected, the District Library Agreement must indicate the number of provisional board members to be appointed by the legislative body of each participating municipality. Note that, if the board is elected, there must be seven board members.
- (c) **Appropriation or Millage:** The District Library Agreement must state the percentage of the money in the annual budget (section 13) to be supplied by each participating municipality. If the establishment of the district library is contingent upon the approval of a districtwide millage, this provision should indicate the number of years for which the participating municipalities will be responsible for providing this appropriation.
- (d) **Amending the Agreement:** The District Library Agreement must indicate the procedure for amending the District Library Agreement. This provision must require the consent of the legislative bodies of not less than two-thirds of the participating municipalities. This provision could also include approval by the district library board.
- (e) **Withdrawal:** The District Library Agreement must state the period of time after the effective date of the agreement (not less than one year) during which the participating municipalities may not withdraw from the district library (see section 24 of 1989 PA 24).
- (f) **Distribution of Assets:** The District Library Agreement must include a provision for any distribution of district library assets to take place upon the withdrawal of a participating municipality.
- (g) **Other Provisions:** The District Library Agreement may contain any necessary provisions regarding the district library.

Section 4(2) 1989 PA 24, provides that the District Library Agreement may state that the district library board is abolished and the district library terminates unless the district electors approve a district library millage at a specified minimum rate on or before a specified date. If the District Library Agreement contains such a provision, the District Library Agreement shall specify the manner in which the net assets of the district library shall be distributed upon termination and shall contain a plan for continuing public library service to all residents of the district after termination. *Example: "If the millage is unsuccessful, the former city library is reinstated and all assets of the district library are transferred to the city library board, which will continue public library service to all residents of the district."*

The District Library Planning Committee should consider carefully all necessary provisions of the District Library Agreement. It is advisable to consult an attorney to draft the District Library Agreement and for advice on the inclusion of various provisions. Note that separate documents may be necessary for transfers of real or personal property, lease agreements, or transfer of contractual obligations.





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## E. Library of Michigan Filing Requirements

### 1. District Library Agreement and Resolutions

The District Library Establishment Act provides in section 5, 1989 PA 24, that the participating municipalities shall submit the District Library Agreement to the State Librarian within ten days following the date on which the agreement is adopted. The State Librarian then has 30 days in which to approve or disapprove the District Library Agreement.

If the District Library Agreement is approved, then the district library is recognized as legally established pursuant to 1989 PA 24, and the district library board will have the powers enumerated in the District Library Establishment Act. The district library will also be eligible for state aid and penal fines, subject to compliance with any regulations relating to those sources of funding.

If the State Librarian disapproves the agreement, the State Librarian shall explain in the written statement the reasons for the disapproval, and the district library shall not be recognized as lawfully established for purposes of distribution of state aid and penal fines. The participating municipalities may revise the District Library Agreement (if possible) to comply with the statutory requirements.

Note that the State Librarian may only disapprove a District Library Agreement if it fails to conform with the provisions of 1989 PA 24. Some examples of reasons that the State Librarian may disapprove a District Library Agreement are:

- (1) The proposed district contains a public library, and the governing board of that public library has not approved the District Library Agreement. *NOTE: This would apply if any part of a public library's legal service area is included in the proposed district.*
- (2) The agreement is signed by only one participating municipality.
- (3) The District Library Agreement is signed without authorization (resolution) of the legislative bodies of the participating municipalities.
- (4) The District Library Agreement does not include all of the required provisions set forth in section 4(1), 1989 PA 24.
- (5) The District Library Agreement provides for a district library board structure that is not permitted by 1989 PA 24. *NOTE: If the library board is appointed, it must have either five, six, seven, or eight board members. If the board is elected, it must have exactly seven board members elected districtwide, and the agreement must provide for a provisional board in the interim before the next election.*
- (6) Two of the municipalities are school districts that hold their regularly scheduled elections on different dates.

### 2. Millage Election Results

If the District Library Agreement states that the establishment of the district library is contingent upon voter approval of a districtwide millage, then the district library board must file a copy of the certified election results showing approval of the districtwide library millage with the Library of Michigan. Upon receipt of the election results, the State Librarian shall give final approval to the establishment of the district library. If the districtwide millage is not approved within the time specified in the District Library Agreement, then the State Librarian shall declare the district library to be terminated. See section 4(2), 1989 PA 24.

## F. **Miscellaneous Considerations**

In addition to the District Library Agreement and resolutions required by statute, there are other legal documents that may be necessary for effecting transfer of the provision of library services to the new district library. If there is currently a public library within the district that plans to transfer its functions to the new district library, then there should be written documentation of these transfers. Areas to consider include real property, personal property, intangible property, and employee benefits.

**Real Property.** If the current public library board owns the library building, that board should deed the property over to the new district library board. Any deeds transferring real property should be prepared by an attorney and should be properly recorded. If the library board does not own the property, and if the current owner does not wish to deed the property to the new district library board, then the new district library board should obtain a lease prepared by an attorney.

**Personal Property.** The current library board should also transfer to the district library board ownership of all library personal property, including books and other materials, furniture, equipment, and other tangible items.

**Intangible Property.** Intangible property, including contracts, should be transferred from the current library board to the new district library board. An attorney should review these, as some contracts and other documents may not be transferable.

**Employee Benefits.** The new district library board has the option of creating new benefit plans for employees. It may be possible to contract for benefits and other services with one of the participating municipalities. Examples include retirement plans, writing payroll checks, health insurance, etc. For certain benefits, however, the new district library may not be permitted to participate in the former library plan and may need to obtain a new plan. *PLEASE NOTE: School district public libraries which re-establish as district libraries may continue certain school retirement benefits pursuant to 1989 PA 194.*

## II. **FUNDING**

The District Library Establishment Act provides several methods for funding district libraries:

- (1) districtwide millage,
- (2) local millages in individual municipalities,
- (3) appropriations from participating municipalities,
- (4) districtwide bond issues, or
- (5) a combination of any of the above.

Other methods of funding district libraries (penal fines, state aid, and grants of federal funds) are not covered in this publication.

### a. **Districtwide Millages**

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Section 7 of the District Library Establishment Act provides that the library “constitutes an authority under section 6 of article IX of the state constitution of 1963.” This authority enables the district library board to put a millage question on the ballot without first seeking approval from the participating municipalities. It also means that the district library millage is not subject to the fifty-mill cap in article IX, section 6 of the Michigan Constitution.

A districtwide millage may be any amount up to 4 mills (see section 13).

Section 14 of the District Library Establishment Act provides that Michigan election law, 1954 PA 116, applies to an election for a districtwide library millage, except to the extent that those provisions are inconsistent with the provisions of the district library act. The District Library Establishment Act sets out specific details regarding districtwide millage elections. If none of the participating municipalities is a school district, then sections 15-18 and section 23 will apply for the districtwide millage election. If one of the participating municipalities is a school district, then section 15 and sections 19-23 govern the election for a districtwide library millage.

Prior to placing a millage question on the ballot, the district library board should have an attorney review the ballot language and the procedure. The ballot proposal must state the amount of millage and must be filed within the guidelines set by the District Library Establishment Act. The election for a districtwide millage may be either a special election or may be held with the general election if none of the participating municipalities is a school district [see section 15(2)]. If one of the participating municipalities is a school district, the districtwide millage election may be held with the school election or at a special election [section 15(3)].

To pass a districtwide millage, approval by a majority of the electors voting districtwide is required. It is not possible for a **districtwide** millage to be passed and levied in only one of the participating municipalities.

**b. Local Millages**

In addition to, or instead of, a districtwide library millage, a district library may be funded with local millages levied in the individual participating municipalities. Sections 13(4), (5), and (6) govern these local millages.

If the participating municipality wishes to fund the district library through a local millage, the governing board of that municipality must place the question on the ballot for approval by the voters. If approved, the millage will be levied only in the municipality that approved the millage (not in the entire district).

Unlike the districtwide millage (which is outside of the fifty- mill cap), local millages to support the district library often do fall within the fifty-mill cap. For that reason, a districtwide library millage is usually preferable to a local millage. A local millage will probably only be sought if the local municipality wishes to enhance services (for example, a branch library) in its municipality beyond the bounds of the districtwide millage fund.

**c. Appropriations**

In addition to, or instead of, library millages, the participating municipalities may appropriate funds to support the district library. These appropriations are made from a municipality's general fund and do not need separate voter approval.

If a district library is funded by districtwide and/or local millages, there may be no need for additional appropriations from the participating municipalities. Appropriations may be necessary, however, in the interim period after the district library has been established but before a districtwide millage has been approved and collected. The district library agreement should make provision for appropriations by the participating municipalities prior to the passage and collection of a districtwide millage.

Appropriations from participating municipalities might also be necessary if a districtwide millage expires and is not renewed immediately. The participating municipalities may or may not be required to make such appropriations depending on the requirements of the district library agreement.

d. **Bond Issues**

District library bond issues are covered by the District Library Financing Act, 1988 PA 265, as amended by 1989 PA 25 (see Appendix). District library boards should not attempt a bond issue without consulting an attorney.

### III. DISTRICT LIBRARY BOUNDARIES

Pursuant to the District Library Establishment Act, the boundaries of a district library district may be changed either by adding a new municipality or by the withdrawal of a participating municipality.

a. **Adding New Participating Municipalities**

Section 25 of the District Library Establishment Act provides a procedure for adding new municipalities (other than school districts) to an existing district library. In order to add a new participating municipality, each of the following requirements must be satisfied:

- the governing body of the new municipality, by majority vote, resolves to join the district
- the district library board adopts a resolution to accept the municipality and to amend the district library agreement to reflect the addition of the municipality and changes in board representation, etc., as necessary
- the participating municipalities in the existing district must pass resolutions agreeing to amend the district library agreement adding the new municipality; the district library agreement controls on this issue, but section 4(1)(d) requires that no fewer than 2/3 of all the participating municipalities must agree to amend the agreement
- if there is a districtwide library millage, the voters in the new participating municipality must approve a library millage of that amount
- the new municipality complies with any other provisions required by the district library agreement.

b. **Withdrawing from the District**

Section 24 of the District Library Establishment Act provides procedures for a participating municipality to withdraw from a district library district. NOTE: If all but one of the participating municipalities withdraws from the district, the district library is terminated.

In order to withdraw from a district with a voted district library millage, each of the following requirements must be satisfied:

- not less than 2 months before the next regularly scheduled election of the municipality, the governing board of the municipality must adopt a resolution to withdraw from the district library on a date specified in the resolution (not less than 6 months after the next regularly scheduled election).

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- the resolution to withdraw must be approved by a majority of the electors of the municipality voting at the regularly scheduled election
  - a copy of the official canvass statement and a certified copy of the resolution as approved by the voters must be filed with the Library of Michigan and must be distributed to the remaining participating municipalities
  - payment must be made to the district library or its creditors for all obligations of the municipality seeking to withdraw
  - the withdrawing municipality must furnish the Library of Michigan a plan for continuing library service after withdrawing
  - If there is a district wide library millage for the district library in effect or authorized before the resolution to withdraw, the tax will continue to be levied in the withdrawn municipality for the period of time originally authorized.

If there is no districtwide library millage for the district library, a participating municipality may withdraw if the following requirements are satisfied:

- the governing body of the municipality adopts a resolution to withdraw on a date specified in the resolution (not less than 1 year from the date of the resolution). NOTE: If a districtwide millage is approved after the adoption of the resolution, but prior to the withdrawal date, the resolution to withdraw will be null and void. If the municipality still wishes to withdraw, it must follow the steps listed above
- the resolution is filed with the Library of Michigan and with the governing bodies of the remaining participating municipalities
- payment must be made to the district library or its creditors for all obligations of the municipality seeking to withdraw
- the withdrawing municipality must furnish the Library of Michigan a plan for continuing library service after withdrawing.

c. **District Consolidation**

District consolidation is addressed with the addition of Section 25a, MCL 397.25a. This section is limited to counties with a population of 400,000-500,000 as of July 26, 2002; hence it **only** potentially affects Genesee County.

- the consolidation of at least two district libraries in Genesee County must be approved by a majority of voters who reside in the geographical boundaries of both district libraries.
- the participating municipalities in the consolidated district must include at least one participating municipality from each of the considered district libraries. In addition, the county must be a participating municipality in the new consolidated district.
- the majority of voters of each participating municipality in a district library included in the consolidation must approve the establishment of the consolidated district if a district library tax is levied, or authorized to be levied by that municipality.

d. **Changing the District Library Millage to Attract New Participating Municipalities**

Section 25 of the District Library Establishment Act has amended to allow established district libraries with a millage the option of changing the number of authorized mills to attract new participating municipalities (other than school districts) to the district.

- allows established district libraries to adjust downward the rate of their existing district library millage to attract new municipalities (or portions of new municipalities) to the district
- the district library board, as well as the existing participating municipalities, must first approve the addition of a new municipality in order to successfully amend the existing district library agreement.
- the change in the number of mills to be levied in the district library is contingent on approval by a majority of the voters of the new municipality, as well as the majority of voters in the existing district library.
- the defeat of the proposal submitted to the voters does not have any effect on the previously authorized district library millage.

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## IV. TIPS TO CONSIDER

The following tips are intended to assist library directors and boards in their transition to a district library format. This is a non-exhaustive, non-comprehensive list of items that should be considered by each district library. It is not legal advice and should not be used to substitute for obtaining the professional services of an attorney.

### A. Steps to consider before effective date of new district library

1) Schedule a joint meeting between old library board and the proposed new district library board:

- a) Gather information to compare payroll services
- b) Gather information to compare financial institutions
- c) Consider a worker's compensation provider
- d) Set organizational meeting date for new board as soon after establishment date as possible
- e) If desirable, authorize contracting with a consulting service to advise on establishing internal controls for new library.

2) Director:

- a) Prepare "to do" list and inform outgoing and incoming boards of things that will need to happen and when so they can be discussed, if possible at joint meeting of two boards prior to effective date
- b) Post Organizational Meeting and all meetings as required by the Michigan Open Meetings Act
- c) Place on library property a large yard sign to inform the public of the change in structure
- d) Prepare draft of investment policy. Sample policies are available from the Michigan Department of Treasury, Letter #98-3 (Investments). The Department of Treasury may be reached at (517) 373-3227. Other helpful sources for information on investment policies:
  1. Municipality
  2. Other Libraries
  3. Library Cooperative
- e) Prepare draft of credit card policy
  1. Sample credit card policies are available through the Michigan Department of Treasury Letter #96-2 (Credit Cards) or by calling them at (517) 373-3227.

3) Call the Internal Revenue Service for Federal Employee Identification Number (FEIN)--Tax ID # as soon as letter received from the State Librarian making establishment official:

- a) The IRS may be reached by calling them at 866/816-2065. They'll provide the number over the phone or send you a packet with notice with your number on it and forms that will need to be filed

4) Apply for State Tax ID Number and Unemployment Account through the Michigan Department of Treasury (517) 636-4660.

5) If transferring employees within same retirement system under new membership (district library) contact retirement system

- a) The Michigan Employees Retirement System may be reached at 800-767-6377.

**B. After Establishment Date**

1) Organizational meeting--as soon as possible after effective date of establishment

- a) Election of presiding officer
- b) Adoption of bylaws and the official setting of meeting dates pursuant to the Michigan Open Meeting Act
- c) Election of other officers, i.e. vice-president, treasurer, secretary.
- d) Appointment of essential committees—(audit, finance, personnel, by-laws)
- e) Adoption of existing personnel and library policies until time of next review
- f) Hire director, and remainder of existing library staff
- g) Passage of a resolution officially delegating to the director the authority to hire, fire, promote, demote, supervise, and discipline the rest of the library staff
- h) Official adoption of investment and credit card policy
- i) Documents needed to be authorized and/or signed by new board that may include:
  - 1. Property transfer agreements
  - 2. Bills of sale
  - 3. Assignment of leases
  - 4. Assignment of library contracts, if any
- j) Selection and authorization of agreement with financial institution(s) for savings and checking accounts and identify the official signatory for accounts
- k) Consideration and/or decision on a payroll service
- l) Consideration and/or decision on a workers compensation plan carrier
- m) Authorization of a retirement plan provider
- n) Hiring of a library attorney

2) First regular meeting:

- a) Approve minutes of organizational meeting
- b) Approve bills for payment
- c) Authorization for retirement plan, if applicable
- d) Approve remaining committee appointments (i.e. personnel, and policy/by-laws) or as many as needed prior to bylaw review
- e) Approve reciprocal borrowing agreements
- f) Adopt budget
- g) Approve staff holiday dates
- h) Normal business

3) Director:

- a) Establish a file for each pertinent category such as:
  - 1. Agreement(s) and assignment of lease
  - 2. Board appointments and bylaws
  - 3. Deeds
  - 4. Retirement/deferred compensation
  - 5. Internal controls
  - 6. Payroll, federal tax ID #, as well as state tax Id #
  - 7. Unemployment and workers compensation insurance
  - 8. Board's "errors and omissions" and other liability insurance
  - 9. Retirement with MERS:
    - 1) Complete an application for actuarial valuation prior to becoming a district library as mentioned
    - 2) Employee census report as well as list of retirees and deferred employees (those no longer employed by library but had been and were in the retirement plan) needs to be completed
    - 3) MERS representative should provide sample agreements and customize it to individual library needs. This is a fund-to-fund transfer so employees are not drawing from two different retirement plans but combining it into one



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- 4) Several other forms to do identified by the MERS representative or through the website: [http://www.mersofmich.com/forms\\_emp.html](http://www.mersofmich.com/forms_emp.html).
  - 5) MERS generally requires a copy of the letter of establishment from the Library of Michigan and minutes where decision made by the board

b) Contact banks for comparisons of

1. Fees
2. Interest
3. Flexibility
4. Service

c) Property/liability insurance--Unless you are already separately insured for your buildings, contents, autos, liability, errors/omissions, it is advisable to seek bids on all coverage.

4) Personnel Issues:

- a) The District Library Agreement should contain clause(s) regarding employees, i.e. they are re-hired as district library employees
- b) If the District Library Agreement does not contain such clause(s), the board should authorize the re-hiring of all employees and director with a letter to be sent to all employees
- c) Direct deposits, federal/state/city withholdings forms, deferred compensation plans, as well as United Way or other payroll deductions should be addressed
- d) Health insurances, life Insurance and other benefits, if offered by new district library, should be addressed

**C) Financial**

1) For suggestions on how to establish good internal controls at the outset contact the Local Audit Division of Michigan Department of Treasury at (517) 373-3227 or (517) 241-3161 check the Treasury website: <http://www.michigan.gov/treasury>.

**D) Municipalities**

1) Participating--original signed copies of the District Library Agreement may be sent to the participating municipalities as soon as the approval comes from the Library of Michigan.

2) MCL 397.173 requires that upon receipt of the approval of the State Librarian, the library must send several items to the county treasurer and the treasurer of each municipality within the district (i.e., the treasurer of each city, village, or township within the district including non-participating municipalities). These items are:

- a) The letter of approval from the State Librarian, and
- b) The map of the district library's territory described in Subsection 5(b) (i.e., the map that is at least 8-1/2 by 13 inches and not larger than 14 by 18 inches that was filed with the State Librarian).
- c) The District Library Establishment Act also requires the tax ID number of parcels within a municipality if only a portion of such municipality is included in the district but this does not apply to those district libraries that do not have any partial municipalities in the district.

3) The Act does not have a specific deadline for sending these items to the county treasurer and local treasurers but it should be done within a reasonable time after the library receives the letter of approval from the State Librarian.

**E) Public--Make every effort to provide them with opportunities to understand transition**

- 1) Information about the district library transition should be distributed as widely as possible, including at all the library's locations, as well as supplied to all participating municipalities.
- 2) An open house event is an attractive way to inform the community of the transition. This enables the public to meet board members, ask questions, look over display materials about the district library as well as learn about the library's history

**F) Need to notify each vendor of new library name as well as the new federal tax ID #.**

**G) Other**

1) Communication:

- a) Status reports in director's report each month to the board members
- b) Updates to staff in monthly staff newsletter
- c) E-mail notification of significant changes of interest to staff
- d) Updates in library newsletter for public and website
- e) Be available to meet with reporters, municipalities, libraries, boards, friends group, etc.

2) Things that may need to be changed:

- a) Signs on buildings
- b) Stationery
- c) Business cards
- d) Website
- e) Rubber stamps for books, magazines, etc.
- f) Name badges
- g) Listings in directories
- h) Advertising

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## VI. APPENDIX

### The District Library Establishment Act Act 24 of 1989

- 397.171 Short title.
- 397.172 Definitions.
- 397.173 Joint establishment of district library; requirements; portion of municipality to be included in district library; excluded portion; resolution; documents to be filed with state librarian; review; approval of agreement; amendment of boundaries; effect of excluded territory.
- 397.174 District library agreement; provisions.
- 397.175 Submission of agreement and amendment to state librarian; approval or disapproval of agreement, amendment, or revision; statement.
- 397.176 Organizational plan; revision of board structure and selection.
- 397.177 District library as authority.
- 397.178 Candidate for appointment or election as board member; qualifications; vacancy in office of board member.
- 397.179 Appointed board members; number; right to appoint; term; vacancy.
- 397.180 Repealed. 2002, Act 159, Eff. Jan. 1, 2003.
- 397.180a Violation of §§ 168.1 to 168.992 applicable to petitions; penalties.
- 397.181 Election of board members of district library; provisions applicable where school district is participating municipality.
- 397.182 Powers of board; compensation and expenses of board members; deposit and expenditure of money in district library fund.
- 397.183 Determination of money necessary for establishment and operation of district library districtwide tax; payment by participating municipality; approval of tax; library tax.
- 397.184 Provisions governing elections.
- 397.185 Ballot proposal for districtwide tax; amount of millage; proposed duration; adoption by resolution; certification; special election; authorization of tax levy; limitation on elections.
- 397.186 Providing ballots.

- 397.187 Conduct of election; list of electors.
- 397.188 Publication of notices of close of registration and election; canvass and certification of results of election.
- 397.189 Printing and providing ballots.
- 397.190 Conduct of election for board members or districtwide tax.
- 397.191 Publication of notices for election of board members or districtwide tax; publication of notices of close of registration and election; ballot language of proposal.
- 397.192 Canvass and certification of results of election.
- 397.193 Reimbursement for costs of election.
- 397.194 Withdrawal of municipality from district library; amendment of agreement.
- 397.195 Municipality other than school district as party to existing agreement; requirements; acceptance conditioned on authorization of tax; change in number of mills based on district library agreement.
- 397.195a Consolidated district library agreement.
- 397.196 Repeal of §§ 397.271 to 397.276.

### District Library Financing Act Act 265 of 1988

- 397.281 Short title.
- 397.282 Definitions.
- 397.283 Powers of board.
- 397.284 Limitation on borrowing money or issuing bonds or notes; conditions to issuance of general obligation unlimited tax bonds; ballot question.
- 397.285 Issuance of limited tax bonds or notes by resolution.
- 397.286 Repealed. 1989, Act 25, Imd. Eff. May 22, 1989.
- 397.287 Bonds as debt of district library; withdrawal of participating municipality from district library.
- 397.288 Authorization and levy of taxes to pay principal of and interest on bonds.
- 397.289 Bonds subject to revised municipal finance act.
- 397.290 Submission of proposal to issue bonds; limitation.

# THE DISTRICT LIBRARY ESTABLISHMENT ACT

## Act 24 of 1989

AN ACT to provide for the establishment and maintenance of district libraries; to provide for district library boards; to define the powers and duties of certain state and local governmental entities; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989; --Am. 1998, Act 176, Eff. Mar. 23, 1999.

**Popular Name:** District Libraries Act

*The People of the State of Michigan enact:*

### 397.171 Short title.

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

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### 397.172 Definitions.

Sec. 2. As used in this act:

(a) “Agreement” means a district library agreement required by section 3 or the agreement governing a district library established pursuant to former 1955 PA 164.

(b) “Board” means a district library board.

(c) “Department” means the department of history, arts, and libraries.

(d) “District” means the territory of the participating municipalities that is served by a district library established pursuant to this act.

(e) “General election” means that term as defined in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(f) “Largest” means, if used in reference to a participating school district, the participating school district having the most electors voting at the last regularly scheduled school board election in the participating school district.

(g) “Largest” means, if used in reference to a county, the county having the most registered electors of a district as last reported to the county clerk pursuant to section 661 of the Michigan election law, 1954 PA 116, MCL 168.661.

(h) “Legislative body” means, if the municipality is a school district, the school board.

(i) “Municipality” means a city, village, school district, township, or county.

(j) “Participating,” means, in reference to a municipality, that the municipality is a party to an agreement.

(k) “School district” means 1 of the following but does not include a primary school district or a school district that holds meetings rather than elections:

(i) ) “Local act school district” as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

(ii) “Local school district” as that term is used in the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(l) “State librarian” means the librarian appointed pursuant to section 5 of the library of Michigan act, 1982 PA 540, MCL 397.15.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989 ;--Am. 2001, Act 64, Eff. Oct. 1, 2001.

**Popular Name:** District Libraries Act

### 397.173 Joint establishment of district library; requirements; portion of municipality to be included in district library; excluded portion; resolution; documents to be filed with state librarian; review; approval of agreement; amendment of boundaries; effect of excluded territory.

Sec. 3. (1) Two or more municipalities, except 2 or more school districts that hold their regularly scheduled elections on different dates, authorized by law to establish and maintain a library or library services may jointly establish a district library if each of the following requirements is satisfied:

(a) If the proposed district contains a public library, other than a district library established under this act, and that public library is recognized by the department as lawfully established for purposes of the distribution of state aid and penal fines, the governing board of the public library approves the establishment of the district library.

(b) The legislative body of each municipality identified in the agreement described in section 4 adopts a resolution providing for the establishment of a district library and approving a district library agreement.

(c) The proposed district library district does not overlap any portion of another district library district.

(2) A participating municipality may provide in the resolution required by subsection (1) that only a portion of its territory is included in the district library district. Except as provided in subsection (3), the portion of a participating municipality included in a district library district shall be bounded by county, township, city, village, or school district boundaries.

(3) A participating municipality other than a county may exclude from a district library district only that portion of the municipality's territory located within the boundaries of a public library that is all of the following:

(a) Recognized by the department as lawfully established for the purposes of the distribution of state aid and penal fines.

(b) Established under this act or any of the following acts:

(i) 1877 PA 164, MCL 397.201 to 397.217.

(ii) ) The revised school code, 1976 PA 451, MCL 380.1 to 380.1852. (iii) 1917 PA 138, MCL 397.301 to 397.305.

(4) On or before October 1, 1998, the boards of district libraries having common jurisdiction over parcels of taxable property shall file with the state librarian copies of resolutions adopted by each, together with a copy of a map described in subsection (5), certifying the exclusion of territory from one or the other of the district library districts. The resolution and the map shall demonstrate that no parcels of taxable property remain within more than 1 district library district and shall additionally demonstrate that the remaining district library districts are each composed of a contiguous whole. If the boards of district library districts having common jurisdiction over parcels of taxable property have not filed such resolutions and maps with the state librarian by October 1, 1998, the department shall approve a change in the boundaries of those district libraries, eliminating the overlapped territory. The department shall obtain a statement identifying the parcels that are located in the overlapping territory from the treasurer of each county within which the district library district is located and a statement of the date on which such parcels were first included within the territory of a district library district established in accordance with this act. The department shall direct the district library board to ensure that any parcel that was originally located within the boundaries of a district library district remain in that original district library district and be excluded from the territories of the other district library districts in which it is located.

(5) Participating municipalities that propose to establish a district library shall file with the state librarian all of the following:

(a) A copy of an agreement described in section 4 that identifies the proposed library district.

(b) A copy of a map or drawing that is no smaller than 8-1/2 by 13 inches or larger than 14 by 18 inches and clearly shows the territory proposed to be included in the district library district.

(c) A map that unambiguously shows the relationship of the proposed district library district to the adjacent and constituent units of government, which include counties, cities, villages, townships, school districts, and district libraries.

(6) The state librarian shall review the agreement described in subsection (5)(a) and approve or disapprove of the proposed district library district in accordance with section 5.

(7) Upon receiving notice of the state librarian's approval of an agreement described in section 4, upon receiving notice of a directive from the department in accordance with subsection (4), or upon expiration of the 10-day period described in subsection (11), the secretary of the board of the affected district library shall submit to the county treasurer of each county in which the district library district is located and to the treasurer of each municipality in which the district library district is located a copy of all of the following:

(a) The state librarian's written statement of approval for the district library issued in accordance with section 5 or the department's directive received in accordance with subsection (4)

(b) The map or drawing of the district library's territory described in subsection(5)(b).

(c) If the district library includes only a portion of a municipality, the tax identification number of each parcel of property within that municipality which is included in the district library district.

(8) Once an agreement is approved by the state librarian, the boundaries of a district library established under this act may be amended to do only the following:

(a) Provide for the withdrawal of a participating municipality in accordance with section 24.

(b) Add a participating municipality in accordance with section 25.

(c) Eliminate certain territory in accordance with subsection (10).

(9) For any amendment described in subsection (8), the secretary of the board of the district library shall file with each of the following a copy of the map or drawing of the amended boundaries approved by the participating municipalities:

(a) The county treasurer of each county in which the district library is situated.

(b) The department.

(10) A district library recognized by the legislative council before December 29, 1997 may amend its boundaries to eliminate territory located within the legal boundaries of a public library or another district library district, if that public library or other district library is recognized by the department as lawfully established for the purposes of

the distribution of state aid and penal fines. The procedures for amending an agreement under section 5 do not apply to a boundary amendment described in this subsection. A district library that amends its boundaries under this subsection shall meet all of the following requirements:

(a) The board of the district library adopts a resolution designating the territory to be excluded from its boundaries.

(b) The proposed amended boundaries exclude only that territory which is within the legal boundaries of a public library established under this act or any of the following acts and recognized by the department as lawfully established for the purposes of the distribution of state aid and penal fines:

(i) 1877 PA 164, MCL 397.201 to 397.217.

(ii) The revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(iii) 1917 PA 138, MCL 397.301 to 397.305.

(c) The district library files with the state librarian a copy of the resolution of the board described in subdivision (a) together with a map or drawing that complies with the requirements of subsection (5)(b).

(11) If a district library complies with subsection (4) or (10) and the state librarian does not disapprove the amended boundaries within 10 business days after receiving the map or drawing described in subsection (10)(c), the boundaries are amended.

(12) The territory that has been excluded from any district library district under subsection (4) or (10) shall remain a part of the district library district from which it has been excluded for the purpose of levying debt retirement taxes for bonded indebtedness of the district library district that exists on December 29, 1997. The territory shall remain a part of that district library district until the bonds are redeemed or sufficient funds are available in the debt retirement fund of the district library for that purpose.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989 ;--Am. 1997, Act 160, Imd. Eff. Dec. 29, 1997 ;--Am. 2001, Act 64, Eff. Oct. 1, 2001.

**Popular Name:** District Libraries Act

#### **397.174 District library agreement; provisions.**

Sec. 4. (1) The agreement shall provide for the creation of a board to govern the operation of the district library and set forth all of the following:

(a) The identity of the municipalities establishing the district library.

(b) The method of selection of board members, whether by election or appointment; if by appointment, their term of office, the total number of board members, and the number of board members to be appointed by the legislative body of each participating municipality; and, if by election, the number of provisional board members to be appointed by the legislative body of each participating municipality.

(c) Of the amount of money to be stated in the annual budget pursuant to section 13, the percentage to be supplied by each participating municipality.

(d) The procedure for amending the agreement, which shall require the consent of the legislative bodies of not less than 2/3 of the participating municipalities.

(e) A period of time after the effective date of the agreement, not less than 1 year, during which the adoption of a resolution to withdraw from the district library pursuant to section 24 shall be void.

(f) Any distribution of district library assets to take place upon the withdrawal of a participating municipality.

(g) Any other necessary provisions regarding the district library.

(2) A district library agreement may provide that the district library board is abolished and the district library terminates unless, on or before a date stated in the agreement, the district electors approve a district library millage at a rate not less than a minimum number of mills stated in the agreement. If the district library agreement contains such a provision, the district library agreement shall specify the manner in which the net assets of the district library shall be distributed to the participating municipalities upon termination and shall contain a plan for continuing public library service to all residents of the district after termination.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

#### **397.175 Submission of agreement and amendment to state librarian; approval or disapproval of agreement, amendment, or revision; statement.**

Sec. 5. (1) The legislative bodies of the municipalities that establish a district library shall submit the agreement to the state librarian within 10 days following the date on which the agreement is adopted. A board shall submit an amendment to the agreement to the state librarian within 10 days following the date on which the amendment is adopted.

(2) The state librarian shall approve an agreement or an amendment to an agreement submitted pursuant to subsection (1) or a revision in board structure submitted pursuant to section 6 if it conforms to the requirements of this act and shall disapprove the agreement, amendment, or revision if it does not conform to the requirements of this act. Within 30 days following the date on which the state librarian receives an agreement, amendment, or revision, the state librarian shall send to the board or the legislative bodies that submitted the agreement,

amendment, or revision a written statement of approval or disapproval. If the state librarian disapproves the agreement, amendment, or revision, the state librarian shall explain in the written statement the reasons for the disapproval, and the department shall not recognize the district library as lawfully established for purposes of the distribution of state aid and penal fines until the state librarian approves an amendment or revision that causes the agreement to conform to the requirements of this act. If the state librarian fails to send a written statement of approval or disapproval within 30 days following the date on which the state librarian receives the agreement, amendment, or revision, it shall be considered approved.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989; --Am. 2001, Act 64, Eff. Oct. 1, 2001.

**Popular Name:** District Libraries Act

### **397.176 Organizational plan; revision of board structure and selection.**

Sec. 6. Within 1 year after May 22, 1989, the board of a district library established pursuant to former 1955 PA 164 shall submit to the state librarian an organizational plan including the information required to be set forth in an agreement under section 4(1) and shall revise the board structure and selection to conform to section 9 or to sections 10 and 11. If the board of a district library established pursuant to former 1955 PA 164 complies with this section and the state librarian does not disapprove the revision of board structure and selection, the district library shall be considered to be established pursuant to this act.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989; --Am. 2002, Act 540, Imd. Eff. July 26, 2002.

**Popular Name:** District Libraries Act

### **397.177 District library as authority.**

Sec. 7. A district library established pursuant to this act constitutes an authority under section 6 of article IX of the state constitution of 1963.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.178 Candidate for appointment or election as board member; qualifications; vacancy in office of board member.**

Sec. 8. (1) An individual appointed as a board member shall be a qualified elector of the participating municipality that appoints the member on the date the appointment is made. A candidate for election as a board member shall be a qualified elector of a participating municipality on the deadline for filing nominating petitions. A candidate for appointment or election shall be a resident of the district.

(2) The office of board member becomes vacant when the incumbent dies, resigns, is convicted of a felony, is removed from office by the governor pursuant to section 10 of article V of the state constitution of 1963, or ceases to be a resident of the district. In addition, the office of an appointed board member becomes vacant when the incumbent ceases to be a resident of the participating municipality that appointed the incumbent.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.179 Appointed board members; number; right to appoint; term; vacancy.**

Sec. 9. If an agreement prescribes appointed board members, the board shall consist of not fewer than 5 and not more than 8 members. The agreement may provide that the right to appoint 1 or more board members rotates between 2 or more municipalities. A term shall not be more than 4 years. A member shall serve until the appointment and qualification of a successor. A vacancy shall be filled for the unexpired term by the participating municipality that appointed the member whose position is vacant.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.180 Repealed. 2002, Act 159, Eff. Jan. 1, 2003.**

**Compiler's Note:** The repealed section pertained to election of board members.

**Popular Name:** District Libraries Act

### **397.180a Violation of §§ 168.1 to 168.992 applicable to petitions; penalties.**

Sec. 10a. A petition under section 10 or 11, including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488. A person who violates a provision of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

**History:** Add. 1998, Act 176, Eff. Mar. 23, 1999.

**Popular Name:** District Libraries Act

**397.181 Election of board members of district library; provisions applicable where school district is participating municipality.**

Sec. 11. (1) All of the following apply to an election of board members of a district library unless a school district is a participating municipality and subsection (2) imposes a different requirement:

(a) If an agreement prescribes elected board members, the board shall consist of 7 members elected at large from the district.

(b) If an agreement prescribes elected board members, a provisional board of 7 members shall be appointed. The members of the provisional board shall hold office until their successors are elected and qualified.

(c) The first election of board members shall take place at the first general election held 140 days or more after the appointment of the first member of the provisional board. The 4 persons receiving the most votes at the first election for board members shall have 4-year terms, and the 3 remaining persons elected to the board shall have 2-year terms. After the first election, board members shall be elected at general elections for 4-year terms that begin on January 1 following the election.

(d) Board members shall be elected on nonpartisan ballots.

(e) Subject to subdivision (f), a nomination for the office of board member shall be by nonpartisan petitions signed by registered electors of the district. The number of signatures shall be as follows:

(i) ) For a district with a population of less than 10,000, not less than 6 or more than 20.

(ii) ) For a district with a population of 10,000 or more, not less than 40 or more than 100.

(f) In lieu of the nominating petition prescribed in this subsection, an individual may file a \$100.00 nonrefundable fee to have his or her name placed on the ballot.

(g) A nominating petition or filing fee shall be filed with the clerk of the largest county not later than 4 p.m. of the day 110 days before the date of the election. The county clerk with whom nominating petitions or filing fees are filed shall certify the names of the candidates to the clerk of every other county in which all or part of a participating municipality is located.

(h) A vacancy in the office of a board member shall be filled until the expiration of the vacating board member's term by appointment by majority vote of the remaining board members. However, if the vacancy occurs 140 or more days or, if a school district is a participating municipality, 13 or more Mondays before the first regularly scheduled election of board members that follows the beginning of the term of the board member vacating office and that term is 4 years, all of the following apply:

(i) The vacancy shall be filled by appointment by majority vote of the remaining board members only until the next date on which the term of any board member expires.

(ii) A board member shall be elected at the regularly scheduled election of board members next following the occurrence of the vacancy to fill the vacancy for the remainder of the term of the board member vacating office.

(2) If a school district is a participating municipality, the following apply to an election of board members for a district library:

(a) The first election of board members shall take place at the same time as the first regularly scheduled election of school board members in the largest participating school district occurring on or after the thirteenth Monday following the appointment of the first member of the provisional board. The term of office of an elected member of the board shall begin at the same time as the term of a school board member elected at the same election in the largest participating school district.

(b) Subject to subdivision (c), a nomination for the office of board member shall be by a petition meeting to the extent applicable the same requirements, including filing requirements, as a nominating petition for the office of school board member in the largest participating school district. However, the petition shall be filed not later than 4 p.m. of the ninth Monday preceding the election. The number of signatures shall be as follows:

(i) ) For a district with a population of less than 10,000, not less than 6 or more than 20.

(ii) ) For a district with a population of 10,000 or more, not less than 40 or more than 100.

(c) In lieu of the nominating petition prescribed under subdivision (b), an individual may file a \$100.00 nonrefundable fee to have his or her name placed on the ballot. A nominating petition or filing fee shall be filed with the secretary of the school board of the largest participating school district. The secretary of that school board shall certify the names of the candidates and the date of the election to the secretary of the school board of every other participating school district and to the election officials authorized by this act to conduct the election in each participating municipality all or a portion of which is located within a nonparticipating school district.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989; --Am. 2002, Act 159, Eff. Jan. 1, 2003.

**Popular Name:** District Libraries Act

**397.182 Powers of board; compensation and expenses of board members; deposit and expenditure of money in district library fund.**

Sec. 12. (1) A board may do 1 or more of the following:

(a) Establish, maintain, and operate a public library for the district.

(b) Appoint and remove officers from among its members.



- (c) Appoint and remove a librarian and necessary assistants and fix their compensation.
- (d) Acquire real or personal property for use for library purposes by purchase, land contract, installment purchase contract, lease with or without option to purchase, or title retaining contract.
- (e) Erect buildings.
- (f) Supervise and control district library property.
- (g) Enter into a contract to receive library-related service from or give library-related service to a library or a municipality within or without the district.
- (h) Adopt bylaws and regulations, not inconsistent with this act, governing the board and the district library.
- (i) Propose and levy upon approval of the electors as provided in this act a tax for support of the district library.
- (j) Borrow money pursuant to the district library financing act, 1988 PA 265, MCL 397.281 to 397.290.
- (k) Issue bonds pursuant to the district library financing act, 1988 PA 265, MCL 397.281 to 397.290.
- (l) Accept gifts and grants for the district library.
- (m) Do any other thing necessary for conducting the district library service, the cost of which shall be charged against the district library fund.

(2) A board may reimburse a board member for necessary expenses that the member incurs in the performance of official duties. A board may compensate board members for attending meetings of the board and shall include the amount of compensation in the annual budget. Compensation shall not exceed \$30.00 per board member per meeting. A board member shall not be compensated for attending more than 52 meetings per year.

(3) Money for the district library shall be paid to the board and deposited in a fund known as the district library fund. The board shall exclusively control the expenditure of money deposited in the district library fund.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989; --Am. 2002, Act 540, Imd. Eff. July 26, 2002.

**Popular Name:** District Libraries Act

**397.183 Determination of money necessary for establishment and operation of district library districtwide tax; payment by participating municipality; approval of tax; library tax.**

Sec. 13. (1) Subject to any limitation in the district library agreement on the amount of the district library annual budget or the amount or percentage of an increase in the district library annual budget, or both, that applies in the absence of a districtwide tax approved by the electors, the board shall annually determine the amount of money necessary for the establishment and operation of the district library and shall state that amount in an annual budget of the district library.

(2) All or part of the money necessary for the establishment and operation of a district library may be supplied by a tax levied by the district library on the taxable property in the district. A district library shall not levy a tax authorized by this subsection unless the tax is approved as provided in section 15. However, a districtwide tax in effect or authorized to be levied by a district library established pursuant to former Act No. 164 of the Public Acts of 1955 may be levied by the district library at the rate and for the period of time originally authorized without being approved as provided in section 15.

(3) A districtwide tax or taxes authorized by subsection (2) shall not exceed 4 mills.

(4) That portion of the total districtwide tax or taxes that exceeds 2 mills shall be authorized to be levied for a period of not more than 20 years. However, if 1 or more of the participating municipalities had a legally established public library with an authorized tax levy of more than 2 mills on December 31, 1993, that portion of the total districtwide tax or taxes that exceeds the greatest number of mills authorized to be levied by any such participating municipality for its public library on December 31, 1993 shall be authorized to be levied for a period of not more than 20 years.

(5) Of the amount of money stated in the annual budget pursuant to subsection (1) that is not supplied by a districtwide tax, the legislative body of each participating municipality shall annually pay to the board the percentage set forth in the agreement pursuant to section 4. A participating municipality may make the payment by appropriating money from its general fund or by levying a tax for district library purposes on the taxable property in the municipality, or both.

(6) A participating municipality shall not levy a tax authorized by subsection (5) unless the tax is approved by a majority of the electors who reside in the participating municipality and vote on the proposal. Not less than 60 days before the date of the election, the legislative body of a participating municipality shall certify a proposed tax to the clerk of the municipality or, if the participating municipality is a school district, to the secretary of the school board for inclusion on the ballot.

(7) A library tax in effect or authorized to be levied by a participating municipality before the municipality became a party to an agreement may be levied at the rate and for the period of time originally authorized and used as a source of all or part of the percentage of money set forth in the agreement pursuant to section 4, unless prohibited by the millage authorization.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989; --Am. 1994, Act 114, Imd. Eff. May 11, 1994.

**Popular Name:** District Libraries Act

### **397.184 Provisions governing elections.**

Sec. 14. (1) An election for or recall of board members and an election for a districtwide tax shall be conducted under the provisions of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, and applicable provisions of the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, except to the extent that those provisions are inconsistent with the provisions of this act.

(2) If none of the participating municipalities are school districts, an election for a districtwide tax is governed by sections 15 to 18 and section 23. If 1 or more of the participating municipalities are school districts, an election for a districtwide tax is governed by section 15 and sections 19 to 23.

(3) If none of the participating municipalities are school districts, an election for district library board members is governed by sections 16 to 18 and section 23. If 1 or more of the participating municipalities are school districts, an election for district library board members is governed by sections 19 to 23.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989; --Am. 2002, Act 540, Imd. Eff. July 26, 2002.

**Popular Name:** District Libraries Act

### **397.185 Ballot proposal for districtwide tax; amount of millage; proposed duration; adoption by resolution; certification; special election; authorization of tax levy; limitation on elections.**

Sec. 15. (1) A ballot proposal for a districtwide tax shall state the amount of the millage. If section 13(4) limits the maximum duration of a portion of the millage in a ballot proposal for a districtwide tax, the ballot proposal shall state the proposed duration of that portion of the millage.

(2) If none of the participating municipalities are a school district, a proposal for a districtwide tax shall not be placed on the ballot unless the proposal is adopted by a resolution of the board and certified by the board not later than 60 days before the election to the county clerk of each county in which all or part of the district is located for inclusion on the ballot. The proposal shall be certified for inclusion on the ballot at the next general election, the state primary immediately preceding the general election, or a special election not occurring within 45 days of a state primary or a general election, as specified by the board's resolution.

(3) If 1 or more of the participating municipalities are school districts, a proposal for a districtwide tax shall not be placed on the ballot unless the proposal is adopted by a resolution of the board and certified by the board not later than 60 days before the election to the secretary of the school board of the largest participating school district. The board shall certify the proposal for inclusion on the ballot at the next regularly scheduled election of school board members in the largest participating school district or at a special election not occurring within 45 days of a state primary or a general election, as specified by the board's resolution. The school board secretary to whom the ballot proposal was certified shall promptly certify the proposal and date of election to the secretary of the school board of every other participating school district and to the election officials authorized by this act to conduct the election in the participating municipalities or the portions of participating municipalities located within a nonparticipating school district.

(4) If a special election is requested, within 10 days after receiving the proposal, the school board secretary to whom the resolution was certified by the board or the county clerk of the largest county shall request approval of a special election date from the county election scheduling committee of the school board secretary's school district or the clerk's county. The proposal shall be submitted to the qualified and registered electors residing in the district on the date approved by that county election scheduling committee.

(5) If a majority of the votes cast on the question of a districtwide tax is in favor of the proposal, the tax levy is authorized. No more than 2 elections shall be held in a calendar year on a proposal for a districtwide tax.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989; --Am. 1994, Act 114, Imd. Eff. May 11, 1994.

**Popular Name:** District Libraries Act

### **397.186 Providing ballots.**

Sec. 16. If none of the participating municipalities are a school district, the county election commission of each participating county and each county in which all or part of a participating municipality is located shall provide ballots for an election for board members or a districtwide tax for each participating municipality or part of a participating municipality located within the county.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.187 Conduct of election; list of electors.**

Sec. 17. (1) Except as otherwise provided in subsection (3), if none of the participating municipalities are school districts, an election for board members or a districtwide tax shall be conducted by the city and township clerks and election officials of the municipalities located within the district.

(2) If an election on a proposal for a districtwide tax is to be held in conjunction with a general election or state primary election or board members are to be elected and if a participating village is located within a nonparticipating township, the township clerk and election officials shall conduct the election. On the forty-fifth day

preceding the election, the village clerk shall provide to the township clerk a list containing the name, address, and birth date of each qualified and registered elector of the village or the portion of the village that is included in the district. By the fifteenth day preceding the election, the village clerk shall provide to the township clerk information updating the list as of the close of registration. Persons appearing on the list as updated are eligible to vote in the district election by special ballot.

(3) If a districtwide tax is to be voted on at a special election not held in conjunction with a general election or state primary election and if a participating village is located within a nonparticipating township, the village clerk and election officials shall conduct the election.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.188 Publication of notices of close of registration and election; canvass and certification of results of election.**

Sec. 18. (1) If an election for board members or a districtwide tax is to be held in conjunction with a general election or a state primary election immediately preceding a general election and none of the participating municipalities are school districts, the notices of close of registration and election shall be published as provided for by the state election laws. Otherwise, if none of the participating municipalities are school districts, the county clerk of the largest county shall publish the notices of close of registration and election. The notice of close of registration shall include the ballot language of the proposal.

(2) If none of the participating municipalities are school districts, the results of an election for board members or a districtwide tax shall be canvassed by the board of county canvassers of each county in which a participating municipality is located. The board of county canvassers of a county in which a participating municipality is located and which is not the largest county shall certify the results of the election to the board of county canvassers of the largest county. The board of county canvassers of the largest county shall make the final canvass of an election for board members or a districtwide tax based on the returns of the election inspectors of the participating municipalities in that county and the certified results of the board of county canvassers of every other county in which a participating municipality is located. The board of county canvassers of the largest county shall certify the results of the election to the district library board and issue certificates of election.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.189 Printing and providing ballots.**

Sec. 19. If 1 or more participating municipalities are school districts, the secretary of the school board of each participating school district shall provide for the printing of ballots for that school district. The secretary of the school board of the largest participating school district shall provide ballots for an election for board members or a districtwide tax for a participating municipality or part of a participating municipality located within a nonparticipating school district.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.190 Conduct of election for board members or districtwide tax.**

Sec. 20. If 1 or more participating municipalities are school districts, the election for board members or a districtwide tax shall be conducted as follows:

(a) The officials otherwise authorized by law to conduct elections in a participating school district shall conduct the election in that school district.

(b) If all or a portion of the participating municipality is located within a nonparticipating school district that is holding an election on the same day as the election for board members or a districtwide tax, the officials authorized by law to conduct elections in the nonparticipating school district shall conduct the election for board members or a districtwide tax in the participating municipality or that portion of the participating municipality located within the nonparticipating school district. The qualified and registered electors of the participating municipality that reside within the nonparticipating school district shall vote in the election for board members or a districtwide tax by special ballot at their regular polling places in the election in the nonparticipating school district. Those qualified and registered electors shall be identified from the registration records of the nonparticipating school district or from a list of the names, addresses, and birth dates of qualified and registered electors of the participating municipality who reside in the nonparticipating school district and are eligible to vote in elections for board members or a districtwide tax. Such a list shall be supplied and updated by the clerk of the participating municipality at the request of the secretary of the school board or other official authorized by law to conduct the election.

(c) If all or a portion of a participating municipality is located within a nonparticipating school district that is not holding an election on the same day as the election for board members or a districtwide tax, the officials

authorized by law to conduct elections in the participating municipality shall conduct the election for board members or a districtwide tax in the participating municipality or that portion of the participating municipality located within the nonparticipating school district.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.191 Publication of notices for election of board members or districtwide tax; publication of notices of close of registration and election; ballot language of proposal.**

Sec. 21. (1) If an election for district board members or a districtwide tax is conducted by a participating school district pursuant to section 20(a), the official required by law to publish notices of the close of registration and election for a school district election in that school district shall publish the notices for the election for board members or a districtwide tax in that school district.

(2) If an election for board members or a districtwide tax is conducted in a participating municipality or a portion of a participating municipality by a nonparticipating school district, pursuant to section 20(b), the official required by law to publish the notices of close of registration and election for a school district election in that school district shall publish the notices for the election for board members or a districtwide tax for the participating municipality or portion of a participating municipality located within that school district. The notices of close of registration and election shall designate the participating municipality for all or a portion of which the election is being conducted pursuant to section 20(b).

(3) If an election for board members or a districtwide tax is conducted by a participating municipality pursuant to section 20(c), the clerk of the participating municipality shall publish notices of close of registration and election for the participating municipality or that portion of the participating municipality located in the nonparticipating school district.

(4) A notice of close of registration published under this section shall contain the ballot language of the proposal.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.192 Canvass and certification of results of election.**

Sec. 22. (1) If an election for district board members or a districtwide tax is conducted by a participating school district pursuant to section 20(a), the board of canvassers required by law to canvass the results of a school district election in that school district shall canvass the results of an election for board members or a districtwide tax in that school district and, if the school district is not the largest participating school district, certify the results of the election to the board of canvassers of the largest participating school district.

(2) If an election for board members or a districtwide tax is conducted in a participating municipality or a portion of a participating municipality by a nonparticipating school district pursuant to section 20(b), the board of canvassers required by law to canvass the results of a school district election in that school district shall canvass the results of an election for board members or a districtwide tax in the participating municipality or portion of the participating municipality located within the nonparticipating school district and certify the results to the board of canvassers of the largest participating school district.

(3) If an election for board members or a districtwide tax is conducted by a participating municipality pursuant to section 20(c), the board of canvassers required by law to canvass the results of a municipal election in that municipality shall canvass the results of an election for board members or a districtwide tax in the participating municipality or that portion of the participating municipality located within the nonparticipating school district and certify the results of the election to the board of canvassers of the largest participating school district.

(4) The board of canvassers required by law to canvass the results of elections held in the largest participating school district shall make the final canvass of the election for board members or a districtwide tax based on the returns received from the election inspectors of that district and certified results received from other boards of canvassers that canvassed part of the election. The board of canvassers required by law to canvass the results of a school district election in the largest participating school district shall certify the total results of the election to the board and issue certificates of election.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.193 Reimbursement for costs of election.**

Sec. 23. (1) A county clerk shall charge the district library and the district library shall reimburse the county for the actual costs the county incurs in an election for board members or a districtwide tax.

(2) If a participating township, city, or village conducts an election for district library board members or a districtwide tax, the clerk of that municipality shall charge the district library and the district library shall reimburse

the municipality for the actual costs the municipality incurs in conducting the election if 1 or more of the following apply:

- (a) The election is not held in conjunction with a regularly scheduled election in that municipality.
- (b) Only a portion of the territory of the municipality is included in the district.
- (c) The election is conducted pursuant to section 20(c) in conjunction with a regularly scheduled election in the municipality and a portion of the municipality lies within the boundaries of a nonparticipating school district.

(3) If a school district conducts an election for district library board members or a districtwide tax, the officials authorized by law to conduct the election shall charge the district library and the district library shall reimburse the school district for the actual costs that the school district incurs in conducting the election if 1 or more of the following apply:

(a) The school district is a participating school district and the election is not held in conjunction with a regularly scheduled election in that school district.

(b) The school district is a nonparticipating school district conducting the election for a participating municipality all or part of which is located within the school district.

(4) In addition to costs reimbursed pursuant to subsection (1), (2), or (3), a municipality shall charge the district library and the district library shall reimburse the municipality for actual costs that the municipality incurs and that are exclusively attributable to an election for board members or a districtwide tax.

(5) The actual costs that a county, township, city, village, or school district incurs shall be based on the number of hours of work done in conducting the election, the rates of compensation of the workers, and the cost of materials supplied in the election.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.194 Withdrawal of municipality from district library; amendment of agreement.**

Sec. 24. (1) Except to the extent that the agreement provides otherwise, a participating municipality in which a district library tax is in effect or authorized to be levied by the district library or by the participating municipality may withdraw from the district library if each of the following requirements is satisfied:

(a) Not less than 2 months before the next regularly scheduled election of the municipality, the legislative body of the municipality adopts a resolution to withdraw from the district library on a date specified in the resolution. The date specified shall be not less than 6 months after the next regularly scheduled election of the municipality.

(b) Notice of an election on the resolution is published in a newspaper published or of general circulation in the municipality not less than 10 days before the next regularly scheduled election of the municipality following adoption of the resolution.

(c) The resolution is approved by a majority of the electors of the municipality voting on the resolution at the next regularly scheduled election of the municipality following adoption of the resolution. If only a portion of the territory of a municipality is included in the district, the vote shall be conducted only in that portion of the municipality included in the district.

(d) After approval of the resolution by the electors, the clerk of the municipality or, if the municipality is a school district, the secretary of the school board files with the library of Michigan a copy of the official canvass statement and a certified copy of the resolution and files with the board a copy of the official canvass statement and a number of certified copies of the resolution sufficient for distribution to the legislative body of each of the participating municipalities.

(e) Payment or the provision for payment to the district library or its creditors of all obligations of the municipality seeking to withdraw is made.

(f) The legislative body of the withdrawing municipality furnishes to the library of Michigan a plan for continuing, after the municipality no longer receives library services from the district library, public library service for all residents of the withdrawing municipality or the portion of the territory of the withdrawing municipality that is included in the district.

(2) A district library tax in effect or authorized to be levied by the district library or by the withdrawing municipality before the adoption of the resolution to withdraw shall be levied in the municipality for its original purpose but only for the period of time originally authorized and only so long as the board continues in existence. In addition, a municipality that withdraws from a district library shall continue to receive library services from the district library so long as a districtwide tax authorized to be levied before the withdrawal of the municipality continues to be levied in the municipality and the district library remains in operation. (3) Except to the extent that the agreement provides otherwise, a participating municipality in which no district library tax is in effect or authorized to be levied by either the district library or the participating municipality may withdraw from the district library if all of the following requirements are satisfied:

(a) The legislative body of the municipality adopts a resolution to withdraw from the district library on a date specified in the resolution. The withdrawal date shall follow the date of the resolution by not less than 1 year.

(b) The clerk of the municipality or, if the municipality is a school district, the secretary of the school board files with the library of Michigan a certified copy of the resolution and files with the board a number of certified copies of the resolution sufficient for distribution to the legislative bodies of each of the participating municipalities.

(c) The requirements of subsection (1)(e) and (f) are met.

(4) After the withdrawal of a municipality, the agreement shall be amended to reflect the withdrawal.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act

### **397.195 Municipality other than school district as party to existing agreement; requirements; acceptance conditioned on authorization of tax; change in number of mills based on district library agreement.**

Sec. 25. (1) A municipality other than a school district may become a party to an existing agreement if the agreement's requirements concerning the addition of a participating municipality are satisfied, or, in the absence of requirements in the agreement, if each of the following requirements is satisfied:

(a) The legislative body of the municipality resolves by majority vote that the municipality become a participating municipality and that all or, pursuant to section 3(2), a portion of the territory of the municipality be added to the district.

(b) The resolution is conditioned upon the board's adopting, within a period of time specified in the resolution, amendments to the agreement specified in the resolution. The amendments specified shall reflect the addition of the municipality or of the territory to the district and shall include, but need not be limited to, changes in board representation or the percentage of funds necessary for the establishment and operation of the district library to be supplied by each participating municipality after the municipality becomes a party to the agreement.

(c) The board amends the agreement within the time and in the manner specified in the resolution of the legislative body of the municipality. Notwithstanding anything to the contrary in the procedure for amending the agreement set forth in the agreement pursuant to section 4, the amendment shall be made by majority vote of the members of the board elected or appointed and serving.

(2) If there is a districtwide library tax, the board shall condition acceptance of the municipality or portion of the territory of the municipality into the district on the authorization of that tax by a majority of the electors of the municipality or portion of the territory of the municipality voting on the proposal.

(3) Notwithstanding section 13 or a districtwide tax or taxes authorized by section 13, an existing district library agreement may change the number of mills authorized in the existing district library agreement if 1 or more municipalities or parts of municipalities join the existing district library district. The change of the number of mills to be levied in the district library district shall be contingent on the approval by a majority of the voters of the existing district library district voting on the question and on the approval of a majority of the voters of each municipality or part of a municipality seeking to join the existing library district voting on the question. Defeat of the proposal submitted to the electors of the existing district library district shall not have any effect on the validity of the continued levy by the existing district library of previously authorized millage.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989; --Am. 2002, Act 540, Imd. Eff. July 26, 2002.

**Popular Name:** District Libraries Act

### **397.195a Consolidated district library agreement.**

Sec. 25a. (1) A county, having a population of at least 400,000 and not more than 500,000 on the date the amendatory act that added this section became effective, and 1 or more other participating municipalities may jointly establish a consolidated district library if each of the following requirements is satisfied:

(a) The consolidated district library is a consolidation of 2 or more district libraries each of which has been established, under this act, and includes all of the district of each district library included in the consolidated district library, and the district of each included district library is located wholly within the county joining in establishing the consolidated district library.

(b) The legislative body of each participating municipality identified in the agreement for the consolidated district library adopts a resolution providing for establishment of the consolidated district library and approving a consolidated district library agreement.

(c) The participating municipalities in the consolidated district library include at least 1 participating municipality from each of the district libraries included in the consolidated district library. The county may be the required participating municipality for any included district library if the county is a participating municipality of that district library.

(d) Establishment of the consolidated district library is approved by a majority of the electors of the district of each district library included in the consolidated district library, and by a majority of the electors of each participating municipality in a district library included in the consolidated district library, in which municipality a district library tax is levied by that municipality or is authorized to be levied by the municipality.

(2) Except as otherwise provided by this section, a consolidated district library agreement shall comply with section 4. A consolidated district library agreement may contain the provision authorized by section 4(2), and, if it does include such a provision, the agreement shall comply with the requirements of section 4(2).

(3) A consolidated district library agreement shall specify an establishment date for the consolidated district library and, as to each district library being consolidated into the consolidated district library, a date on which, if the consolidated district library has been established, the district library being consolidated into the consolidated district library will cease providing library services. The specified establishment date for the consolidated district library may be the date on which the electors approve the establishment of the consolidated district library as prescribed in subsection (1)(d).

(4) The board of commissioners of a county proposing to join in establishing a consolidated district library, on behalf of the participating municipalities proposing to establish that consolidated district library, shall file the consolidated district library agreement with the state librarian, and shall otherwise comply with section 3(5). For purposes of section 3(6), (7), and (8), and section 5, the filed consolidated district library agreement is considered to be an agreement described in section 4 if filed in accordance with section 3(5) and section 5(1).

(5) Subject to subsection (1), a consolidated district library is established the later of either of the following:

(a) The establishment date specified in the consolidated district library agreement.

(b) The earlier of the date on which the county board of commissioners receives notice of the state librarian's approval of the agreement, or the expiration of 30 days following the date on which the state librarian receives the agreement, without the state librarian having sent a written statement of approval or disapproval.

(6) On the date specified in the consolidated district library agreement for a district library being consolidated into the consolidated district library to cease providing library services, the board of that district library is dissolved and, subject to subsection (8), the assets and liabilities of that district library are transferred to the consolidated district library. Any contract entered into by a district library consolidated into the consolidated district library, if entered into after the requirements of subsection (1) for establishment of a consolidated district library have been satisfied, may be rescinded by the consolidated district library within 60 days after the consolidated district library is established. If so provided in the consolidated district library agreement, the consolidated district library board may be established and may function prior to the consolidated district library establishment date specified in the agreement for the purpose of preparing for the establishment. Preparation may include, but is not limited to, entering into contracts that will become effective on or after the date on which the consolidated district library is established. Preparation does not include levying a tax. A consolidated district library is a successor district library to the district libraries consolidated into the consolidated district library.

(7) If a consolidated district library agreement prescribes appointed board members, the board shall consist of not fewer than 5 and not more than 9 members. The agreement may authorize 1 or more board members to be appointed by a municipality that was a participating municipality in a district library included in the consolidated district library, even though that municipality is not participating in the consolidated district library.

(8) A tangible asset of a district library being included in a consolidated district library, that was contributed to that district library for use by that district library only, shall be distributed upon establishment of the consolidated district library to the distributee designated by that included district library's agreement to receive that asset upon dissolution of that district library, unless that distributee concurs in a different distribution. A tangible asset that has been transferred to a district library for nominal consideration is considered contributed to that library. A tangible asset that was originally received by a district library being included in a consolidated district library, from a participating municipality of that district library, and which under that district library's agreement is to be distributed to that municipality upon dissolution of that district library, is not transferred to the consolidated district library without the approval of that municipality.

(9) A consolidated district library may not levy a tax that was authorized for a district library included in the consolidated district library. A ballot question for approval of the establishment of a consolidated district library may include authorization for a districtwide tax for the consolidated district library. However, a consolidated district library tax authorization may be stated as a separate ballot question. A question whether to approve the establishment of a consolidated district library, and, prior to establishment of a consolidated district library, a proposal for authorization of a districtwide tax for a consolidated district library, may be submitted to the electorate through adoption of a resolution of, and certification by, the county board of commissioners. After a consolidated district library is established, any ballot proposal for a districtwide tax for that library shall be adopted and certified by that library's board. Submission to the electorate of a proposal for authorization of a districtwide tax, as permitted by this subsection through action by the county board of commissioners prior to establishment of a consolidated district library, does not render the tax, if authorized and levied, a county tax as distinguished from a district library tax. If the tax is authorized, any levy of the tax shall be by the board of the consolidated district library. A consolidated district library shall not levy a tax before the boards of all the district libraries being consolidated into the consolidated district library are dissolved as provided in subsection (6).

(10) A question of whether to approve establishment of a district library, and a question of whether to approve a proposal for a districtwide tax for a consolidated district library, shall be certified by the county board of commissioners or the consolidated district library board to the clerk not later than 60 days before the election. The question shall be certified for inclusion on the ballot at the next general election or the next state primary election immediately preceding the next general election, scheduled to be held at least 60 days after the certification, or at a special election not occurring within 45 days of that next general or primary election.

(11) For purposes of sections 14 through 23, a question certified under subsection (10), and an election of members of a consolidated district library board, shall be considered as being for a district in which none of the participating municipalities are school districts, notwithstanding whether 1 or more school districts are such municipalities. If a consolidated district library is established, the costs of an election on whether to approve a resolution providing for establishment of the district library shall be charged to and reimbursed by the consolidated district library in the same manner and to the same extent as costs are charged to and reimbursed by the district library under section 23 for an election for board members or a districtwide tax. If there is an election on whether to approve the establishment of a consolidated district library, and if the consolidated district library is not established, costs of the election, which would be charged to and reimbursed by the consolidated district library under this subsection if the consolidated district library had been established, shall be charged to and reimbursed by the county. Those costs include the costs of any proposal for a districtwide tax for the consolidated district library submitted to the electorate at that same election.

(12) A consolidated district library is a district library established pursuant to this act. Subject to this section, other sections of this act apply to a consolidated district library.

**History:** Add. 2002, Act 540, Imd. Eff. July 26, 2002.

**Popular Name:** District Libraries Act

**397.196 Repeal of §§ 397.271 to 397.276.**

Sec. 26. Act No. 164 of the Public Acts of 1955, being sections 397.271 to 397.276 of the Michigan Compiled Laws, is repealed.

**History:** 1989, Act 24, Imd. Eff. May 22, 1989.

**Popular Name:** District Libraries Act



# DISTRICT LIBRARY FINANCING ACT

## Act 265 of 1988

AN ACT to authorize district libraries to acquire, construct, or furnish real or personal property for use for library purposes; to authorize district libraries to borrow money and issue bonds and notes and refunding bonds and notes for those acquisitions; and to authorize district libraries to levy a tax for, and to pledge their full faith and credit to, the payment of contracts, bonds, and notes.

**History:** 1988, Act 265, Imd. Eff. July 15, 1988.

### 397.281 Short title.

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

**History:** 1988, Act 265, Imd. Eff. July 15, 1988.

### 397.282 Definitions.

Sec. 2. As used in this act:

(a) “Board” means that term as defined in section 2 of the district library establishment act.

(b) “District” means that term as defined in section 2 of the district library establishment act.

(c) “District library” means a library established pursuant to the district library establishment act or a library considered to be established pursuant to the district library establishment act under section 6 of that act.

(d) “Legislative body” means, if the municipality is a school district, the school board.

(e) “Municipality” means that term as defined in section 2 of the district library establishment act.

(f) “Participating” means that term as defined in section 2 of the district library establishment act.

**History:** 1988, Act 265, Imd. Eff. July 15, 1988; —Am. 1989, Act 25, Imd. Eff. May 22, 1989.

### 397.283 Powers of board.

Sec. 3. A board may do 1 or more of the following:

(a) Acquire real or personal property for use for library purposes by purchase, land contract, installment purchase contract, lease with or without option to purchase, or title retaining contract.

(b) Borrow money and issue its negotiable bonds or notes to finance the acquisition, construction, and furnishing of buildings or portions of buildings for use for library purposes, the acquisition of the necessary sites for library buildings, or the acquisition and installation of equipment necessary for the operation of the library buildings.

(c) Submit to the electors of the district a question proposing the issuance of bonds for the purposes described in this act.

(d) Borrow money and issue its negotiable bonds and notes for the purpose of refunding outstanding debt obligations of the district issued for the purposes described in this act.

**History:** 1988, Act 265, Imd. Eff. July 15, 1988.

### 397.284 Limitation on borrowing money or issuing bonds or notes; conditions to issuance of general obligation unlimited tax bonds; ballot question.

Sec. 4. (1) A district library shall not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the district library, exceeds 5% of the state equalized valuation of the taxable property within the district.

(2) A district library shall not issue general obligation unlimited tax bonds unless all of the following conditions are met:

(a) The board adopts a resolution submitting the question of issuing general obligation unlimited tax bonds or notes to the electors of the district.

(b) The question of issuing general obligation unlimited tax bonds or notes is certified by the board and the election is conducted in the manner provided in sections 14 to 23 of the district library establishment act, 1989 PA 24, MCL 397.184 to 397.193, for an election for a districtwide tax.

(c) A majority of the qualified electors of the district voting on the question approve the issuing of the general obligation unlimited tax bonds.

(3) The question of issuing general obligation unlimited tax bonds pursuant to subsection (2) shall be submitted by ballot in substantially the following form:

“Shall the district library, formed by \_\_\_\_\_, county[ies] of \_\_\_\_\_, State of Michigan, borrow the sum of not to exceed \_\_\_\_\_ dollars (\$ \_\_\_\_\_) and issue its general obligation unlimited tax bonds for all or a portion of that amount for the purpose of \_\_\_\_\_?”

Yes [ ] No [ ]”

**History:** 1988, Act 265, Imd. Eff. July 15, 1988; —Am. 1989, Act 25, Imd. Eff. May 22, 1989; —Am. 2002, Act 345, Imd. Eff. May 23, 2002.

**397.285 Issuance of limited tax bonds or notes by resolution.**

Sec. 5. Except as otherwise provided in section 4, a district library may issue limited tax bonds or notes by resolution of the board, without submitting the question to the electors of the district.

**History:** 1988, Act 265, Imd. Eff. July 15, 1988; —Am. 1989, Act 25, Imd. Eff. May 22, 1989; —Am. 2002, Act 345, Imd. Eff. May 23, 2002.

**397.286 Repealed. 1989, Act 25, Imd. Eff. May 22, 1989.**

**Compiler's note:** The repealed section pertained to borrowing money, issuing bonds or notes, and condition to establishment of district library.

**397.287 Bonds as debt of district library; withdrawal of participating municipality from district library.**

Sec. 7. Bonds issued pursuant to this act are debt of the district library and not of the participating municipalities. If a participating municipality withdraws from a district library, taxes imposed for payment of bonds approved as provided in this act before the adoption of the resolution to withdraw shall continue to be levied within the district as if the municipality did not withdraw from the district library until the principal of and interest on those bonds are paid in full.

**History:** 1988, Act 265, Imd. Eff. July 15, 1988; —Am. 1989, Act 25, Imd. Eff. May 22, 1989.

**397.288 Authorization and levy of taxes to pay principal of and interest on bonds.**

Sec. 8. If a majority of the qualified electors of a district voting on the question of issuing bonds approves the issuance, or if bonds are otherwise issued pursuant to section 5, the board, by resolution, shall authorize and levy the taxes necessary to pay the principal of and interest on the bonds. The taxes shall be levied and collected with the county taxes. If, pursuant to section 5, the bonds are issued without submission of the question of the bond issue to the electors, the board shall not authorize or levy a tax that exceeds the tax levy authorized by a vote of the qualified electors of the district as provided in sections 13 to 23 of the district library establishment act.

**History:** 1988, Act 265, Imd. Eff. July 15, 1988; —Am. 1989, Act 25, Imd. Eff. May 22, 1989.

**397.289 Bonds subject to revised municipal finance act.**

Sec. 9. Bonds issued pursuant to this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

**History:** 1988, Act 265, Imd. Eff. July 15, 1988; —Am. 2002, Act 345, Imd. Eff. May 23, 2002.

**397.290 Submission of proposal to issue bonds; limitation.**

Sec. 10. A board shall not submit a proposal to issue bonds under this act more than 1 time during a calendar year.

**History:** 1988, Act 265, Imd. Eff. July 15, 1988; —Am. 1989, Act 25, Imd. Eff. May 22, 1989.