

# HOUSE BILL No. 6030

July 22, 1992, Introduced by Rep. Kosteva and referred to the Committee on Taxation.

A bill to amend the title of Act No. 164 of the Public Acts of 1877, entitled as amended

"An act to authorize cities, incorporated villages, and townships to establish and maintain, or contract for the use of, free public libraries and reading rooms,"

as amended, being sections 397.201 to 397.217 of the Michigan Compiled Laws; and to add sections 18, 19, 20, 21, and 22.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title of Act No. 164 of the Public Acts of  
2 1877, as amended, being sections 397.201 to 397.217 of the  
3 Michigan Compiled Laws, is amended and sections 18, 19, 20, 21,  
4 and 22 are added to read as follows:

### 5 TITLE

6 An act to authorize cities, incorporated villages, and  
7 townships to establish and maintain, or contract for the use of,  
8 free public libraries and reading rooms; TO PROVIDE FOR LIBRARY

1 BOARDS; TO DEFINE THE POWERS AND DUTIES OF LIBRARY BOARDS; TO  
2 AUTHORIZE LIBRARY BOARDS TO BORROW MONEY AND ISSUE BONDS AND  
3 REFUNDING BONDS FOR LIBRARY PURPOSES; AND TO AUTHORIZE LIBRARY  
4 BOARDS TO LEVY A TAX FOR, AND TO PLEDGE THEIR FULL FAITH AND  
5 CREDIT TO, THE PAYMENT OF CONTRACTS AND BONDS.

6 SEC. 18. A LIBRARY BOARD OF A FREE PUBLIC LIBRARY ESTAB-  
7 LISHED PURSUANT TO THIS ACT MAY DO 1 OR MORE OF THE FOLLOWING:

8 (A) ACQUIRE REAL OR PERSONAL PROPERTY FOR USE FOR LIBRARY  
9 PURPOSES BY PURCHASE, LAND CONTRACT, INSTALLMENT PURCHASE CON-  
10 TRACT, LEASE WITH OR WITHOUT OPTION TO PURCHASE, OR TITLE RETAIN-  
11 ING CONTRACT.

12 (B) BORROW MONEY AND ISSUE ITS NEGOTIABLE BONDS OR NOTES TO  
13 FINANCE THE ACQUISITION, CONSTRUCTION, AND FURNISHING OF BUILD-  
14 INGS OR PORTIONS OF BUILDINGS FOR USE FOR LIBRARY PURPOSES, THE  
15 ACQUISITION OF NECESSARY SITES FOR LIBRARY BUILDINGS, OR THE  
16 ACQUISITION AND INSTALLATION OF EQUIPMENT NECESSARY FOR THE OPER-  
17 ATION OF LIBRARY BUILDINGS.

18 (C) BORROW MONEY AND ISSUE ITS NEGOTIABLE BONDS OR NOTES FOR  
19 THE PURPOSE OF REFUNDING OUTSTANDING DEBT OBLIGATIONS OF THE  
20 LIBRARY BOARD OR THE CITY, VILLAGE, OR TOWNSHIP IN WHICH THE  
21 LIBRARY HAS BEEN ESTABLISHED, ISSUED FOR THE PURPOSES DESCRIBED  
22 IN THIS ACT.

23 SEC. 19. (1) A LIBRARY BOARD OF A FREE PUBLIC LIBRARY  
24 ESTABLISHED PURSUANT TO THIS ACT SHALL NOT BORROW MONEY OR ISSUE  
25 BONDS OR NOTES FOR A SUM THAT, TOGETHER WITH THE TOTAL OUTSTAND-  
26 ING BONDED INDEBTEDNESS OF THE LIBRARY BOARD, EXCEEDS 5% OF THE  
27 STATE EQUALIZED VALUATION OF THE TAXABLE PROPERTY WITHIN THE

1 CITY, VILLAGE, OR TOWNSHIP IN WHICH THE LIBRARY HAS BEEN  
2 ESTABLISHED.

3 (2) A LIBRARY BOARD SHALL NOT ISSUE GENERAL OBLIGATION  
4 UNLIMITED TAX BONDS OR NOTES UNLESS ALL OF THE FOLLOWING CONDI-  
5 TIONS ARE MET:

6 (A) THE LIBRARY BOARD ADOPTS A RESOLUTION SUBMITTING THE  
7 QUESTION OF ISSUING GENERAL OBLIGATION UNLIMITED TAX BONDS OR  
8 NOTES TO THE ELECTORS OF THE CITY, VILLAGE, OR TOWNSHIP IN WHICH  
9 THE LIBRARY HAS BEEN ESTABLISHED. IN THE RESOLUTION, THE LIBRARY  
10 BOARD SHALL SPECIFY WHETHER THE QUESTION SHALL BE SUBMITTED AT A  
11 REGULAR OR SPECIAL ELECTION, AND SHALL SPECIFY THE PREFERRED DATE  
12 OF ANY SPECIAL ELECTION.

13 (B) THE QUESTION OF ISSUING GENERAL OBLIGATION UNLIMITED TAX  
14 BONDS OR NOTES IS CERTIFIED BY THE LIBRARY BOARD AND THE ELECTION  
15 IS CONDUCTED UNDER THE APPLICABLE PROVISIONS OF THE MICHIGAN  
16 ELECTION LAW, ACT NO. 116 OF THE PUBLIC ACTS OF 1954, BEING  
17 SECTIONS 168.1 THROUGH 168.992 OF THE MICHIGAN COMPILED LAWS.

18 (C) A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY, VIL-  
19 LAGE, OR TOWNSHIP IN WHICH THE LIBRARY HAS BEEN ESTABLISHED  
20 VOTING ON THE QUESTION APPROVE THE ISSUING OF THE GENERAL OBLIGA-  
21 TION LIMITED TAX BONDS OR NOTES.

22 (3) THE QUESTION OF ISSUING GENERAL OBLIGATION UNLIMITED TAX  
23 BONDS OR NOTES PURSUANT TO SUBSECTION (2) SHALL BE SUBMITTED BY  
24 BALLOT IN SUBSTANTIALLY THE FOLLOWING FORM:

25 "SHALL THE \_\_\_\_\_ PUBLIC LIBRARY BORROW THE SUM OF NOT  
26 TO EXCEED \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) AND ISSUE ITS  
27 GENERAL OBLIGATION UNLIMITED TAX BONDS [OR NOTES] FOR ALL

1 OR A PORTION OF THAT AMOUNT FOR THE PURPOSE OF  
2 \_\_\_\_\_? YES [ ] NO [ ]"

3 (4) REFUNDING BONDS OR THE REFUNDING PART OF A BOND ISSUE  
4 SHALL NOT BE CONSIDERED TO BE WITHIN THE 5% LIMITATION OF  
5 SUBSECTION (1), BUT SHALL BE CONSIDERED TO BE AUTHORIZED IN ADDI-  
6 TION TO THE 5% LIMITATION.

7 SEC. 20. (1) THE SECRETARY OF A LIBRARY BOARD SHALL SUBMIT  
8 TO THE GOVERNING BODY OF THE CITY, VILLAGE, OR TOWNSHIP THAT HAS  
9 ESTABLISHED THE LIBRARY BOARD A COPY OF THE RESOLUTION SUBMITTING  
10 THE QUESTION OF ISSUING UNLIMITED TAX GENERAL OBLIGATION BONDS OR  
11 NOTES TO THE ELECTORS PURSUANT TO SECTION 18.

12 (2) UPON RECEIPT OF THE RESOLUTION OF THE LIBRARY BOARD SUB-  
13 MITTING THE QUESTION OF ISSUING UNLIMITED TAX GENERAL OBLIGATION  
14 BONDS OR NOTES TO THE ELECTORS, THE CLERK OF THE CITY, VILLAGE,  
15 OR TOWNSHIP THAT HAS ESTABLISHED THE LIBRARY SHALL CERTIFY THE  
16 QUESTION TO THE COUNTY CLERK PURSUANT TO THE MICHIGAN ELECTION  
17 LAW, ACT NO. 116 OF THE PUBLIC ACTS OF 1954, BEING SECTIONS 168.1  
18 TO 168.992 OF THE MICHIGAN COMPILED LAWS.

19 (3) THE CLERK OF THE CITY, VILLAGE, OR TOWNSHIP THAT HAS  
20 ESTABLISHED THE FREE PUBLIC LIBRARY SHALL CONDUCT THE ELECTION ON  
21 BEHALF OF THE LIBRARY BOARD. THE LIBRARY BOARD SHALL REIMBURSE  
22 THE CITY, VILLAGE, OR TOWNSHIP FOR THE ACTUAL COSTS INCURRED IN  
23 CONDUCTING THE ELECTION BASED ON THE NUMBER OF HOURS OF WORK DONE  
24 IN CONDUCTING THE ELECTION, THE RATES OF COMPENSATION OF THE  
25 WORKERS, AND THE COST OF MATERIALS SUPPLIED IN THE ELECTION.

26 SEC. 21. IF A MAJORITY OF THE QUALIFIED ELECTORS OF THE  
27 CITY, VILLAGE, OR TOWNSHIP IN WHICH A FREE PUBLIC LIBRARY HAS

1 BEEN ESTABLISHED VOTING ON THE QUESTION OF ISSUING UNLIMITED TAX  
2 BONDS OR NOTES APPROVES THE ISSUANCE, THE LIBRARY BOARD, BY RESO-  
3 LUTION, SHALL AUTHORIZE AND LEVY THE TAXES NECESSARY TO PAY THE  
4 PRINCIPAL OF AND INTEREST ON THE BONDS OR NOTES. THE TAXES SHALL  
5 BE LEVIED AND COLLECTED IN THE SAME MANNER AS GENERAL TAXES OF  
6 THE CITY, VILLAGE, OR TOWNSHIP.

7 SEC. 22. (1) BONDS AND NOTES ISSUED PURSUANT TO THIS ACT  
8 ARE THE DEBT OF THE LIBRARY BOARD AND NOT OF THE CITY, VILLAGE,  
9 OR TOWNSHIP IN WHICH THE FREE PUBLIC LIBRARY HAS BEEN  
10 ESTABLISHED.

11 (2) BONDS AND NOTES ISSUED PURSUANT TO THIS ACT ARE SUBJECT  
12 TO THE MUNICIPAL FINANCE ACT, ACT NO. 202 OF THE PUBLIC ACTS OF  
13 1943, BEING SECTIONS 131.1 TO 139.3 OF THE MICHIGAN COMPILED  
14 LAWS.