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LIBRARY COOPERATIVES: TAXABLE VALUE

House Bill 4474
Sponsor: Rep. Jerry Vander Roest
Committee: Tax Policy

Complete to 4-22-99

A SUMMARY OF HOUSE BILL 4474 AS INTRODUCED 4-15-99

Under the State Aid to Public Libraries Act, one of the requirements imposed on a local library to be eligible for membership in a public library cooperative is to maintain a minimum local support of three-tenths of one mill on state equalized value (SEV). The bill would use taxable value instead of SEV.

The term "local support" is defined in the act to mean funds from tax sources, gifts, endowments, penal fines, or other funds received from local sources, excluding state and federal aid. The other criteria a local library must meet to participate in a cooperative are: participating in the development of cooperative library plans; loaning of materials to other participating libraries; and maintaining an open door policy to the residents of the state.

(The term "taxable value" is the term used in property tax statutes to implement the constitutional limit on how much property assessments can increase from one year to the next. That limit was added to the constitution with the passage of Proposal A on March 15, 1994, and says the assessment -- "taxable value" -- of a parcel of property cannot increase from one year to the next by more than five percent or the percentage increase in the consumer price index, whichever is less. Property taxes are now based on "taxable value" of property, which will be lower than state equalized value [SEV] where market values are rising at a rate faster than the limit.)

MCL 397.555

Analyst: C. Couch

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