

HOUSE BILL No. 5852

(As passed the Senate, May 7, 2002)

April 9, 2002, Introduced by Rep. Hager and referred to the Committee on Tax Policy.

A bill to amend 1988 PA 265, entitled
"District library financing act,"
by amending sections 4, 5, and 9 (MCL 397.284, 397.285, and
397.289), sections 4 and 5 as amended by 1989 PA 25.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

4 (b) The question of issuing general obligation unlimited tax
5 bonds or notes is certified by the board and the election is con-
6 ducted in the manner provided in sections 14 to 23 of the dis-
7 trict library establishment act, 1989 PA 24, MCL 397.184 TO
8 397.193, for an election for a districtwide tax.

9 (c) A majority of the qualified electors of the district
10 voting on the question approve the issuing of the general obliga-
11 tion unlimited tax bonds.

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

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16 "Shall the district library, formed by
17 _____, county[ies] of _____, State of
18 Michigan, borrow the sum of not to exceed
19 _____ dollars (\$_____) and issue its
20 general obligation unlimited tax bonds for all
21 or a portion of that amount for the purpose of
22 _____?

23 Yes [] No []"

24 ~~-(4) Refunding bonds or the refunding part of a bond issue~~
25 ~~shall not be considered to be within the 5% limitation of~~
26 ~~subsection (1), but shall be considered to be authorized in~~
27 ~~addition to the 5% limitation.~~

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1 Sec. 5. ~~-(1)-~~ Except as otherwise provided in section 4, a
2 district library may issue limited tax bonds or notes by resolu-
3 tion of the board, without submitting the question to the elec-
4 tors of the district.

5 ~~-(2) A district library may borrow money and issue its nego-~~
6 ~~tiable bonds and notes for the purpose of refunding outstanding~~
7 ~~debt obligations of the district by resolution of the board,~~
8 ~~without submitting the question to the electors of the district.~~

9 Sec. 9. Bonds issued pursuant to this act are subject to
10 the ~~municipal finance act, Act No. 202 of the Public Acts of~~
11 ~~1943, being sections 131.1 to 139.3 of the Michigan Compiled~~
12 ~~Laws~~ REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
13 141.2821.