

# Legislative Analysis

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## CONTINUATION OF DISTRICT LIBRARIES AFTER MUNICIPAL REORGANIZATION

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**House Bill 5868 as enrolled**  
**Public Act 570 of 2014**  
**Sponsor: Rep. Amanda Price**

**House Committee: Local Government**  
**Senate Committee: Local Government and Elections (Discharged)**  
**Second Analysis (2-18-15)**

**BRIEF SUMMARY:** The bill would ensure the continuation of a district library in the case of a municipal reorganization such as an annexation, dis-incorporation, merger, or consolidation of a city, village, school district, township or county.

**FISCAL IMPACT:** The fiscal impact on district libraries is indeterminate, depending on the circumstances of the reorganization.

### **THE APPARENT PROBLEM:**

Michigan law allows the officials of two or more municipalities (that is, villages, cities, townships, school districts, or counties) to create a district library. There are more than 120 district libraries located throughout Michigan.

While the District Library Act describes how two or more municipalities can work together to create a regional district library, the act is silent about the fate of any existing district library in a case where the municipalities, themselves, join together to form a single local government.

For example, recently the citizens of four Michigan municipalities have considered reorganizations of their local governments, either to consolidate, or to dis-incorporate. First, in 2013 in Allegan County, the village of Saugatuck explored joining with the village of Douglas. A year earlier in Ottawa County, the village of Spring Lake considered dissolving the village government to merge with Spring Lake Township. In each instance, the two municipalities had partnered to form a district library. See **Background Information** below.

As citizens explored the feasibility of consolidation, or merger via dissolution, local officials asked 'Can our district library continue to operate if we become a single municipality? How do you have a *district* library if there's only one municipality to authorize the library's continuation?'

The citizens living in these Allegan and Ottawa county communities decided against both consolidation and dis-incorporation. Their governments have not merged. And, their respective district libraries continue to operate. Nonetheless, legislation has been

introduced to ensure that district libraries can continue to operate (and any voted millage can continue to be levied), if citizens reorganize their governing structures through annexation, dis-incorporation, merger, or consolidation.

### ***THE CONTENT OF THE BILL:***

House Bill 5868 would amend the District Library Establishment Act to provide for the continuation of a district library in the case of municipal reorganization.

(Under the act, "municipality" means a city, village, school district, township, or county. However, the term does not include a school district for the purpose of establishing a new district library after January 1, 2015.) A more detailed description of the bill follows.

#### ***District library during municipal reorganization.***

The bill specifies that if two or more participating municipalities established a district library, and one or more of the municipalities was subsequently reorganized (that is, dis-incorporated, annexed, consolidated, or merged), then that reorganization would not affect the validity of the district library.

Further, all of the following would then apply:

- The library would continue, and it would exercise all of its responsibilities, including any tax levy authorized by the electors of the library district.
- The remaining municipalities (if two or more) would be required to amend the library district agreement to reflect the reorganization. (However, if only one municipality remained, no amendment would be necessary).
- The terms of the district library board members would continue, with new members being appointed as terms expired.

#### ***Transfer areas.***

House Bill 5868 also specifies that two district libraries could amend a contiguous boundary by transferring a portion of one district library to another, if all of the following requirements were satisfied:

- The transfer area was bounded by county, township, city, village, or school district boundaries.
- The governing board of each district library adopted a resolution approving the transfer, by a majority vote of the members appointed and serving.
- The governing board of each participating municipality for both district libraries approved, by resolution, the transfer, by a majority vote of the members appointed and serving.
- Both agreements were amended to reflect the transfer. (The bill specifies that the amendments to the agreements would have to include, but would not be limited to, all of the following: (1) changes in board representation; (2) the money necessary from each participating municipality for the establishment and operation of the district libraries; (3) a revised legal description of the district; and (4) a map that clearly shows the revised service area of each new district library.)

- Each district library submitted the resolutions and amendments (described above) to the state librarian.

***Districtwide library tax levies.***

Under the bill, if a districtwide library tax was being levied in the district receiving the transfer, then the governing board would condition its acceptance of the transfer upon the approval of the tax by a majority of the electors residing in the transfer area. However, failure of a majority of the electors to approve the tax would not affect the validity of the continued levy of any previously authorized millage by the district library that was transferring the transfer area. Further, a tax levied by the transferring district library would be extinguished in the transfer area upon approval by a majority of the electors residing in the transfer area.

If a districtwide library tax was not being levied by the receiving library at the time of the transfer, but a tax was being levied by the transferring library, then the districtwide tax of the transferring area would be extinguished in the transfer area only, upon approval of the transfer by the state librarian.

MCL 397.173

***BACKGROUND INFORMATION:***

To learn more about the Saugatuck Douglas District Library, visit their website at:  
<http://www.sdlibrary.org/>

More information is available about the Spring Lake District Library at:  
<http://sllib.org/>

***ARGUMENTS:***

***For:***

Now under the law, the existence of a district library may be in jeopardy if local governments reorganize. This bill would allow district libraries to continue operations if the citizens living within the library's founding municipalities vote to reconfigure their local government—whether through annexation, consolidation, dis-incorporation, or merger. The bill helps to ensure uninterrupted book-lending and computer-access for the patrons served by Michigan's more than 120 district libraries.

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