

CONTINUATION OF DISTRICT LIBRARIES AFTER MUNICIPAL REORGANIZATION

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House Bill 5868

Sponsor: Rep. Amanda Price

Committee: Local Government

Complete to 11-13-14

A SUMMARY OF HOUSE BILL 5868 AS INTRODUCED 9-30-14

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 municipality 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 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

FISCAL IMPACT:

The fiscal impact on district libraries is indeterminate, depending on the circumstances of the reorganization.

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