

Act No. 25
Public Acts of 1989
Approved by the Governor
May 22, 1989
Filed with the Secretary of State
May 22, 1989

STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1989

Introduced by Senators Cropsey, Fredricks, V. Smith, Geo. Hart, Nichols, Ehlers, Posthumus, Faxon, Geake, Pollack, N. Smith, Binsfeld, Cruce, Schwarz, Barcia, DiNello, Dillingham, Carl and Welborn

ENROLLED SENATE BILL No. 141

AN ACT to amend sections 2, 4, 5, 7, 8, and 10 of Act No. 265 of the Public Acts of 1988, entitled "An act to authorize district libraries to acquire, construct, or furnish real or personal property for use for library purposes; to authorize district libraries to borrow money and issue bonds and notes and refunding bonds and notes for those acquisitions; and to authorize district libraries to levy a tax for, and to pledge their full faith and credit to, the payment of contracts, bonds, and notes," being sections 397.282, 397.284, 397.285, 397.287, 397.288, and 397.290 of the Michigan Compiled Laws; and to repeal certain parts of the act.

The People of the State of Michigan enact:

Section 1. Sections 2, 4, 5, 7, 8, and 10 of Act No. 265 of the Public Acts of 1988, being sections 397.282, 397.284, 397.285, 397.287, 397.288, and 397.290 of the Michigan Compiled Laws, are amended to read as follows:

Sec. 2. As used in this act:

- (a) "Board" means that term as defined in section 2 of the district library establishment act.
- (b) "District" means that term as defined in section 2 of the district library establishment act.
- (c) "District library" means a library established pursuant to the district library establishment act or a library considered to be established pursuant to the district library establishment act under section 6 of that act.
- (d) "Legislative body" means, if the municipality is a school district, the school board.
- (e) "Municipality" means that term as defined in section 2 of the district library establishment act.
- (f) "Participating" means that term as defined in section 2 of the district library establishment act.

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

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

- (a) The board adopts a resolution submitting the question of issuing general obligation unlimited tax bonds or notes to the electors of the district.
- (b) The question of issuing general obligation unlimited tax bonds or notes is certified by the board and the election is conducted in the manner provided in sections 14 to 23 of the district library establishment act for an election for a districtwide tax.
- (c) A majority of the qualified electors of the district voting on the question approve the issuing of the general obligation unlimited tax bonds.

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

"Shall the district library, formed by _____, county[ies] of _____, State of Michigan, borrow the sum of not to exceed _____ dollars (\$_____) and issue its general obligation unlimited tax bonds for all or a portion of that amount for the purpose of _____?
Yes[☐] No[☐]"

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

Sec. 5. (1) Except as otherwise provided in section 4, a district library may issue limited tax bonds or notes by resolution of the board, without submitting the question to the electors of the district.

(2) A district library may borrow money and issue its negotiable bonds and notes for the purpose of refunding outstanding debt obligations of the district by resolution of the board, without submitting the question to the electors of the district.

Sec. 7. Bonds issued pursuant to this act are debt of the district library and not of the participating municipalities. If a participating municipality withdraws from a district library, taxes imposed for payment of bonds approved as provided in this act before the adoption of the resolution to withdraw shall continue to be levied within the district as if the municipality did not withdraw from the district library until the principal of and interest on those bonds are paid in full.

Sec. 8. If a majority of the qualified electors of a district voting on the question of issuing bonds approves the issuance, or if bonds are otherwise issued pursuant to section 5, the board, by resolution, shall authorize and levy the taxes necessary to pay the principal of and interest on the bonds. The taxes shall be levied and collected with the county taxes. If, pursuant to section 5, the bonds are issued without submission of the question of the bond issue to the electors, the board shall not authorize or levy a tax that exceeds the tax levy authorized by a vote of the qualified electors of the district as provided in sections 13 to 23 of the district library establishment act.

Sec. 10. A board shall not submit a proposal to issue bonds under this act more than 1 time during a calendar year.

Section 2. Section 6 of Act No. 265 of the Public Acts of 1988, being section 397.286 of the Michigan Compiled Laws, is repealed.

Section 3. This amendatory act shall not take effect unless Senate Bill No. 140 of the 85th Legislature is enacted into law.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved.....

Governor.

