

SENATE BILL No. 141

February 14, 1989, Introduced by Senators CROPSEY, FREDRICKS, V. SMITH, GEO. HART, NICHOLS, EHLERS, POSTHUMUS, FAXON, GEAKE, POLLACK, N. SMITH, BINSFELD, CRUCE, SCHWARZ, BARCIA, DI NELLO, DILLINGHAM, CARL and WELBORN and referred to the Committee on Local Government and Veterans.

A bill to amend sections 2, 4, 5, 7, 8, and 10 of Act No. 265 of the Public Acts of 1988, entitled "District library financing act," 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:

1 Section 1. Sections 2, 4, 5, 7, 8, and 10 of Act No. 265 of
2 the Public Acts of 1988, being sections 397.282, 397.284,
3 397.285, 397.287, 397.288, and 397.290 of the Michigan Compiled
4 Laws, are amended to read as follows:

5 Sec. 2. As used in this act:

6 (a) "Board" means ~~the board of trustees appointed or~~
7 ~~elected to govern a district library established under Act~~
8 ~~No. 164 of the Public Acts of 1955, being sections 397.271 to~~

1 ~~397.276 of the Michigan Compiled Laws~~ THAT TERM AS DEFINED IN
2 SECTION 2 OF THE DISTRICT LIBRARY ESTABLISHMENT ACT.

3 (b) "District" means ~~the area located within the collective~~
4 ~~boundaries of the municipalities participating in a district~~
5 ~~library established under Act No. 164 of the Public Acts of 1955~~
6 THAT TERM AS DEFINED IN SECTION 2 OF THE DISTRICT LIBRARY ESTAB-
7 LISHMENT ACT.

8 (c) ~~"Election commission" means the county, city, township,~~
9 ~~or village board of election commissioners that has the authority~~
10 ~~and duty, as provided in the Michigan election law, Act No. 116~~
11 ~~of the Public Acts of 1954, being sections 168.1 to 168.992 of~~
12 ~~the Michigan Compiled Laws, to conduct an election required by~~
13 ~~this act.~~ "DISTRICT LIBRARY" MEANS A LIBRARY ESTABLISHED PURSU-
14 ANT TO THE DISTRICT LIBRARY ESTABLISHMENT ACT OR A LIBRARY CON-
15 SIDERED TO BE ESTABLISHED PURSUANT TO THE DISTRICT LIBRARY ESTAB-
16 LISHMENT ACT UNDER SECTION 6 OF THAT ACT.

17 (D) "LEGISLATIVE BODY" MEANS, IF THE MUNICIPALITY IS A
18 SCHOOL DISTRICT, THE SCHOOL BOARD.

19 (E) ~~(d)~~ "Municipality" means ~~a county, city, township,~~
20 ~~village, or school district that is a participant in a district~~
21 ~~library under Act No. 164 of the Public Acts of 1955~~ THAT TERM
22 AS DEFINED IN SECTION 2 OF THE DISTRICT LIBRARY ESTABLISHMENT
23 ACT.

24 (F) "PARTICIPATING" MEANS THAT TERM AS DEFINED IN SECTION 2
25 OF THE DISTRICT LIBRARY ESTABLISHMENT ACT.

26 Sec. 4. (1) A district library ~~formed pursuant to section~~
27 ~~2(1) of Act No. 164 of the Public Acts of 1955, being section~~

1 ~~397.272 of the Michigan Compiled Laws,~~ 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 AND shall not issue GENERAL OBLIGATION UNLIMITED TAX
 6 bonds unless all of the following conditions are met:

7 (a) The ~~governing body of each municipality that is part of~~
 8 ~~the district~~ BOARD adopts a resolution submitting the ~~bond~~
 9 ~~issue~~ QUESTION OF BORROWING THE MONEY OR ISSUING THE BONDS OR
 10 NOTES to the electors of the district. ~~at an election to be~~
 11 ~~held simultaneously in all municipalities participating in the~~
 12 ~~district.~~

13 (B) THE QUESTION OF BORROWING THE MONEY OR ISSUING THE BONDS
 14 OR NOTES IS CERTIFIED BY THE BOARD AND THE ELECTION IS CONDUCTED
 15 IN THE MANNER PROVIDED IN SECTIONS 14 TO 23 OF THE DISTRICT
 16 LIBRARY ESTABLISHMENT ACT FOR AN ELECTION FOR A DISTRICTWIDE TAX.

17 (C) A MAJORITY OF THE QUALIFIED ELECTORS OF THE DISTRICT
 18 VOTING ON THE QUESTION APPROVE THE ISSUING OF THE BONDS.

19 (2) ~~(b)~~ The question of ~~the bond issue is~~ ISSUING BONDS
 20 SHALL BE submitted by ballot in substantially the following
 21 form:

22 "Shall the district library, formed by
 23 _____, county[ies] of _____, State of
 24 Michigan, borrow the sum of not to exceed
 25 _____ dollars (\$_____) and issue its
 26 general obligation unlimited tax bonds for all

1 or a portion of that amount for the purpose of

2 _____?

3 Yes [] No []"

4 (3) REFUNDING BONDS OR THE REFUNDING PART OF A BOND ISSUE
5 SHALL NOT BE CONSIDERED TO BE WITHIN THE 5% LIMITATION OF
6 SUBSECTION (1), BUT SHALL BE CONSIDERED TO BE AUTHORIZED IN ADDI-
7 TION TO THE 5% LIMITATION.

8 Sec. 5. (1) ~~For an election held under this act, the~~
9 ~~clerks of the municipalities that formed the district shall coop-~~
10 ~~erate with the election commission in conducting the election in~~
11 ~~the entire district.~~ EXCEPT AS OTHERWISE PROVIDED IN SECTION 4,
12 A DISTRICT LIBRARY MAY ISSUE LIMITED TAX BONDS OR NOTES BY RESO-
13 LUTION OF THE BOARD, WITHOUT SUBMITTING THE QUESTION TO THE ELEC-
14 TORS OF THE DISTRICT.

15 (2) A DISTRICT LIBRARY MAY BORROW MONEY AND ISSUE ITS NEGO-
16 TIABLE BONDS AND NOTES FOR THE PURPOSE OF REFUNDING OUTSTANDING
17 DEBT OBLIGATIONS OF THE DISTRICT BY RESOLUTION OF THE BOARD,
18 WITHOUT SUBMITTING THE QUESTION TO THE ELECTORS OF THE DISTRICT.

19 Sec. 7. Bonds issued pursuant to this act are debt of the
20 district library and not of the PARTICIPATING municipalities.
21 ~~that formed the district library.~~ If a PARTICIPATING municipal-
22 ity withdraws from a district library, taxes imposed for payment
23 of bonds approved as provided in this act before the ~~date on~~
24 ~~which the municipality withdraws~~ ADOPTION OF THE RESOLUTION TO
25 WITHDRAW shall continue to be levied within the district as if
26 the municipality ~~had~~ DID not ~~withdrawn~~ WITHDRAW from the

1 district library until the principal of and interest on those
2 bonds are paid in full.

3 Sec. 8. If a majority of the QUALIFIED electors of a dis-
4 trict voting on the question of issuing bonds approves the issu-
5 ance, or if bonds are otherwise issued pursuant to section ~~6~~ 5,
6 the board, ~~of trustees,~~ by resolution, shall authorize and levy
7 the taxes necessary to pay the principal of and interest on the
8 bonds. ~~to~~ THE TAXES SHALL be levied and collected with the
9 county taxes. If, PURSUANT TO SECTION 5, the bonds are issued
10 without submission of the question of the bond issue to the elec-
11 tors, the board shall not authorize or levy a tax that exceeds
12 the tax levy authorized ~~by a vote of the qualified electors in~~
13 ~~each of the participating municipalities or~~ by a vote of the
14 qualified electors of the district as provided in SECTIONS 13 TO
15 23 OF THE DISTRICT LIBRARY ESTABLISHMENT ACT. ~~section 5 of Act~~
16 ~~No. 164 of the Public Acts of 1955, being section 397.275 of the~~
17 ~~Michigan Compiled Laws.~~

18 Sec. 10. ~~(1) A municipality submitting the question of the~~
19 ~~establishment of a district library to the electors pursuant to~~
20 ~~section 2(2) of Act No. 164 of the Public Acts of 1955, being~~
21 ~~section 397.272 of the Michigan Compiled Laws, may submit to the~~
22 ~~electors at the same election a proposal to issue bonds under~~
23 ~~this act.~~

24 ~~(2) A municipality or a board, or both,~~ A BOARD shall not
25 submit a proposal to issue bonds under this act more than 1 time
26 during a calendar year.

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

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