

DISTRICT LIBRARY FINANCING ACT

Act 265 of 1988

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.

History: 1988, Act 265, Imd. Eff. July 15, 1988

The People of the State of Michigan enact:

397.281 Short title.

Sec. 1.

This act shall be known and may be cited as the "district library financing act".

History: 1988, Act 265, Imd. Eff. July 15, 1988

397.282 Definitions.

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.

History: 1988, Act 265, Imd. Eff. July 15, 1988 ;-- Am. 1989, Act 25, Imd. Eff. May 22, 1989

397.283 Powers of board.

Sec. 3.

A board may do 1 or more of the following:

- (a) Acquire real or personal property for use for library purposes by purchase, land contract, installment purchase contract, lease with or without option to purchase, or title retaining contract.
- (b) Borrow money and issue its negotiable bonds or notes to finance the acquisition, construction, and furnishing of buildings or portions of buildings for use for library purposes, the acquisition of the necessary sites for library buildings, or the acquisition and installation of equipment necessary for the operation of the library buildings.
- (c) Submit to the electors of the district a question proposing the issuance of bonds for the purposes described in this act.
- (d) Borrow money and issue its negotiable bonds and notes for the purpose of refunding outstanding debt

obligations of the district issued for the purposes described in this act.

History: 1988, Act 265, Imd. Eff. July 15, 1988

397.284 Limitation on borrowing money or issuing bonds or notes; conditions to issuance of general obligation unlimited tax bonds; ballot question.

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, 1989 PA 24, MCL 397.184 to 397.193, 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 []

History: 1988, Act 265, Imd. Eff. July 15, 1988 ;-- Am. 1989, Act 25, Imd. Eff. May 22, 1989 ;-- Am. 2002, Act 345, Imd. Eff. May 23, 2002

397.285 Issuance of limited tax bonds or notes by resolution.

Sec. 5.

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.

History: 1988, Act 265, Imd. Eff. July 15, 1988 ;-- Am. 1989, Act 25, Imd. Eff. May 22, 1989 ;-- Am. 2002, Act 345, Imd. Eff. May 23, 2002

397.286 Repealed. 1989, Act 25, Imd. Eff. May 22, 1989.

Compiler's Notes: The repealed section pertained to borrowing money, issuing bonds or notes, and condition to establishment of district library.

397.287 Bonds as debt of district library; withdrawal of participating municipality from district library.

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.

History: 1988, Act 265, Imd. Eff. July 15, 1988 ;-- Am. 1989, Act 25, Imd. Eff. May 22, 1989

397.288 Authorization and levy of taxes to pay principal of and interest on bonds.

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.

History: 1988, Act 265, Imd. Eff. July 15, 1988 ;-- Am. 1989, Act 25, Imd. Eff. May 22, 1989

397.289 Bonds subject to revised municipal finance act.

Sec. 9.

Bonds issued pursuant to this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: 1988, Act 265, Imd. Eff. July 15, 1988 ;-- Am. 2002, Act 345, Imd. Eff. May 23, 2002

397.290 Submission of proposal to issue bonds; limitation.

Sec. 10.

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

History: 1988, Act 265, Imd. Eff. July 15, 1988 ;-- Am. 1989, Act 25, Imd. Eff. May 22, 1989

