

THE DISTRICT LIBRARY
ESTABLISHMENT ACT:
FORMATION OF A NEW
DISTRICT LIBRARY

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I. DISTRICT LIBRARY ESTABLISHMENT ACT

A. General

Major provisions of the District Library Establishment Act (DLEA) regarding the formation of a new district library are highlighted below.

B. Participating Municipalities

The DLEA authorizes counties, townships, cities, villages, and school districts (except 2 or more school districts with different regular election dates) to form a district library as participating municipalities.¹ The proposed district must not overlap any portion of another district library district. A participating municipality may provide that only a portion of its territory is included in the district library district. However, the portion of a participating municipality must be bounded by county, township, village, or school district boundaries and a city, village, or township may exclude only that portion of its territory located within the boundaries of a lawfully established public library that is a district library, a city, village, or township library under 1877 PA 164, a school district library under 1976 PA 451, or a county library under 1917 PA 138.

C. Appointed/Elected Board

Except for a new district library created by petition (which requires an elected board as noted in I.B. above), the DLEA allows the district library agreement to provide for an appointed district library board which shall consist of not less than five (5) and not more than eight (8) board members appointed by the participating municipalities. The DLEA also provides that the appointment of board members may rotate between participating municipalities. (This is useful where there are more than eight participating municipalities). Terms of appointed members must be not more than four years.

The DLEA also allows the district library agreement to provide for an elected board. If it is elected, the board consists of seven (7) members elected at large. If the board is elected, a provisional board of seven (7) members is appointed to hold office until the election.

D. Taxation

¹ School districts may be a participating municipality only if the district library is created before January 1, 2015.

The DLEA authorizes the district library board to seek voter approval of a millage. The millage passes on or fails on a district-wide basis. The DLEA permits the district library board to seek voter approval of up to four mills provided, however, that the portion of a millage that exceeds two (2) mills may not be authorized for more than twenty (20) years. The amount of the millage to be submitted to voters for approval is the decision of the district library board (subject to the DLEA's statutory limits). Since the DLEA provides that the district library is an authority and establishes a statutory limit of four (4) mills, a district library millage is not subject to the 50 mill limit.

E. Budget

The DLEA requires the district library agreement to specify the financial responsibility, if any, of the participating municipalities. In addition, the district library agreement may limit the amount of the district library annual budget or percentage of increase in the budget in the absence of millage approved by voters. Subject to any such limitation, the district library board establishes the budget for the district library.

F. Termination if Millage not Approved

The DLEA permits the district library agreement to provide that the district library shall terminate unless a district library millage is approved by a date specified in the agreement. This "safety valve" provision gives an incentive to the district library board to propose a millage that the voters will approve and makes it easier for participating municipalities to decide to form a district library because it will not be permanent unless a millage is approved by voters.

II. DISTRICT LIBRARY AGREEMENT PROVISIONS

A. Mandatory Provisions

1. The name of the district library. For district libraries created after July 7, 2005, the name must include the word "district."
2. Identity of participating municipalities and the geographic boundaries of the district.
3. Method of selection of board members (appointed or elected)
 - (a) If appointed, 5-8 members, terms of four years or less; may provide for rotation of appointments.

(b) If elected, seven members elected at large for four year terms (first elected board has staggered terms), must appoint provisional board.

4. Percentage of the annual budget to be supplied by each participating municipality, if any.

5. Procedure for amending the district library agreement (must require consent of at least 2/3 of participating municipalities).

6. Period of time not less than one year during which participating municipalities may not withdraw.

7. Distribution of assets on withdrawal.

8. Any other necessary provisions regarding the district library.

B. Permissible Provisions

1. Termination of the district library unless a millage is approved by voters by a date set in district library agreement.

2. Limit on the amount of the district library annual budget or percentage increase in annual budget, or both.

C. Other Provisions to Consider

In addition to the permissible provisions expressly authorized by the DLEA, the district library agreement should also address:

1. Transfer or lease of library building(s) or other real property and facilities.

2. Transfer of books, materials, and equipment.

3. Transfer of employees.

III. PROCEDURE FOR FORMING A DISTRICT LIBRARY

A. Use the District Library Law handbook published by the Library of Michigan and consult with the Library of Michigan!

B. Develop a district library proposal consistent with the requirements of the DLEA and include other permissible provisions as necessary or appropriate. It may be desirable (though not legally required) to form a district library planning committee consisting of representatives appointed by each of the proposed participating municipalities. The planning committee

or other body needs to decide the key issues such as the participating municipalities, the district library board structure (elected or appointed), financial responsibility of participating municipalities, whether permanent formation is contingent on passage of millage, etc.

C. After the general proposal is developed, the district library agreement must be drafted in compliance with the DLEA. The district library agreement is then submitted for approval to: 1) the governing body of each of the participating municipalities, and 2) all current public library boards within the district. (Helpful hint: Before obtaining approval of the district library agreement from the participating municipalities, send a copy to the Library of Michigan for informal review. This can help you avoid embarrassing problems later).

D. After approval of the participating municipalities and the public library board(s) within the district, the district library agreement is submitted to the State Librarian for approval based on compliance with the DLEA. The State Librarian has 30 days in which to approve or disapprove the establishment of the Library.

IV. Advantages of a District Library

A. Governance/Independence

The district library board is an independent body responsible only for district library. The district library can "control its own destiny."

B. Millage Exclusively for the Library

A district library millage is levied exclusively for the district library. The district library does not compete with other governmental services for a share of general fund moneys.

C. Fairness

With a district library millage, property taxpayers pay the same millage rate thereby eliminating situations where citizens in one or more municipalities are not paying their "fair share" for library services.

D. Combine Resources

Two or more municipalities can combine assets (buildings, equipment, books, materials) and can combine financial resources (e.g. larger tax base on which to spread the tax burden).