

**STATE AID TO PUBLIC LIBRARIES ACT**  
**Act 89 of 1977**

AN ACT to provide for the establishment of cooperative libraries; to prescribe the powers and duties of the department of history, arts, and libraries; to provide state aid for public libraries participating in cooperative libraries; to prescribe the powers and duties of cooperative library boards; to provide an appropriation; and to repeal acts and parts of acts.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 1982, Act 541, Eff. Mar. 30, 1983;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

*The People of the State of Michigan enact:*

**397.551 Short title.**

Sec. 1. This act shall be known and may be cited as the "state aid to public libraries act".

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977.

**397.552 Definitions.**

Sec. 2. As used in this act:

(a) "Department" means the department of history, arts, and libraries.

(b) "Local board" means the board of trustees or directors that has as its primary purpose the supervision of a local public library, or that board contracting for library service, or, if such a board does not exist, the legislative body of the local government that maintains the public library.

(c) "Local support" means funds from tax sources, gifts, endowments, penal fines, or other funds received from local sources, excluding state and federal aid as stated in this act.

(d) "Public library" means a library that is lawfully established for free public purposes by 1 or more counties, cities, townships, villages, school districts, or other local governments or a combination thereof, or by a public or local act, the entire interests of which belong to the general public. Public library does not include a special library such as a professional, technical, or school library.

(e) "Cooperative board" means the governing board of a cooperative library.

(f) "Cooperative library" means the library or service center designated by a cooperative board to execute services established by a cooperative plan and provided to libraries participating in a cooperative.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 1982, Act 541, Eff. Mar. 30, 1983;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

**397.553 Cooperative boards; establishment; number.**

Sec. 3. Cooperative boards representing local public libraries shall be established in accordance with this act and approved by the department. The number of cooperative boards shall be determined by the department in accordance with section 6.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

**397.554 Preliminary cooperative plan for library services; contents; development.**

Sec. 4. A preliminary cooperative plan for library services which sets forth a statement describing the specific services that will be rendered to those libraries participating in a cooperative library, the means and agencies by which the services will be rendered without duplication of existing resources and expertise, and the cooperative board that will receive funds and execute duties shall be developed by participating local public library boards.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977.

**397.555 Eligibility for membership in cooperative library.**

Sec. 5. To be eligible for membership in a cooperative library, a local library shall do all of the following:

(a) Maintain a minimum local support of 3/10 of a mill on taxable value, as taxable value is calculated under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a, in the fiscal year before October 1 of the year before distribution.

(b) Participate in the development of cooperative library plans.

(c) Loan materials to other libraries participating in the cooperative library.

(d) Maintain an open door policy to the residents of the state, as provided by section 9 of article VIII of the state constitution of 1963.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2000, Act 340, Imd. Eff. Dec. 27, 2000.

**397.556 Areas included in cooperative library.**

Sec. 6. (1) A cooperative library includes those areas consisting of 1 of the following:

- (a) Two or more counties with a total population of at least 100,000.
- (b) One county plus portions of other counties with a population of at least 100,000.
- (c) One county or portion of the county with a population of at least 400,000.
- (d) Portions of 2 or more counties with a population of at least 350,000.
- (e) Combinations of counties or portions of counties serving a population of at least 50,000, if the region served has a population of 35 or fewer persons per square mile.

(2) The area covered by a cooperative library shall recognize the geosocioeconomic conditions within that area and regions established for governmental purposes throughout the state. A local board placed in a cooperative library may petition the department to be placed in a different cooperative library or to join with other local boards to form a cooperative library under this act. A local board serving an area adjoining more than 1 cooperative library may determine the cooperative library in which it participates.

(3) The system board of an existing library system serving over 600,000 population may petition the department for designation as a cooperative board, and the department shall designate that system board, as already constituted, as the cooperative board. If a cooperative board is a county library board, the cooperative plan shall provide for expanding the cooperative board to represent proportionately the population served in any other county or counties within the area of the cooperative library. This expanded cooperative board shall have authority over those matters affecting the operation of the cooperative library except for the property, personnel, and governmental relationships of the county whose board was designated as the cooperative board, which matters shall continue to be the responsibility of that county library board. The department shall include in the cooperative library serving over 600,000 population the communities presently served by the existing system and all other communities not in another cooperative library within counties represented by members on the expanded cooperative board other than the designated system board members.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001;—Am. 2005, Act 30, Imd. Eff. May 25, 2005;—Am. 2011, Act 288, Imd. Eff. Dec. 21, 2011.

**397.557 Cooperative library board as representative of participating libraries; selection of members; existing systems.**

Sec. 7. A cooperative library board shall be representative of the participating libraries except as specifically provided in section 6. It shall consist of 9 members with the method of selection to be stated in the approved plan as provided in section 4. In the case of existing systems which otherwise qualify as cooperative libraries, the number of board members and their relationship to existing governmental units may continue if approved by a majority of the participating libraries and specified in the approved plan.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977.

**397.558 Cooperative library board as body corporate; powers and duties; installment purchase contract, land contract, loan agreement, or lease purchase contract.**

Sec. 8. (1) The cooperative board is a body corporate and may sue and be sued.

(2) The cooperative board shall do all of the following:

- (a) Operate the cooperative library and manage and control the cooperative library's funds and property.
- (b) Select a chairperson.
- (c) Establish, maintain, and operate cooperative services for public libraries in the cooperative library's area.
- (d) Appoint a director or coordinator to administer the cooperative library, fix that person's compensation, and delegate to that person those powers the delegation of which is in the best interest of the cooperative library, including the power to hire necessary employees.
- (e) Acquire books, periodicals, library materials, equipment, supplies, or other personal property by purchase, installment purchase contract, or lease with or without an option to purchase, or enter into a loan agreement and borrow money for that purpose.
- (f) Erect buildings or acquire real property, including buildings and fixtures, by purchase, land contract, installment purchase contract, or lease with or without an option to purchase, or enter into a loan agreement and borrow money for that purpose.
- (g) Enter into contracts to receive service from or give service to libraries in the state, including public, school, academic, cooperative, or special libraries, and political subdivisions of the state.
- (h) Exclusively control expenditures for the cooperative library.
- (i) Accept gifts and donations of property for the benefit of the cooperative library and for the purposes for which donated.
- (j) Adopt bylaws and rules not inconsistent with this act for its own government and do those things

necessary to carry out the purposes of this act.

(3) All of the following shall apply to an installment purchase contract, land contract, loan agreement, or lease purchase contract entered into pursuant to subsection (2):

(a) The contract shall not constitute an indebtedness of any member of the cooperative library within any constitutional, charter, or statutory limitation.

(b) Principal and interest are payable solely from the revenues of the cooperative library.

(c) No member of the cooperative library shall pledge its full faith and credit to the payment of principal and interest on the contract.

(d) Interest on the unpaid principal amount of the contract shall not be treated as excluded from gross income under the internal revenue code.

(4) An installment purchase contract, land contract, lease purchase contract, or loan agreement entered into pursuant to subsection (2) shall contain a statement setting forth the provisions of subsection (3).

(5) An installment purchase contract, land contract, lease purchase agreement, or loan agreement entered into by the cooperative board for a purpose discussed in subsection (2) that occurred prior to the effective date of the 1995 amendatory act that added this subsection is validated and made legal for all purposes.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 1995, Act 231, Imd. Eff. Dec. 19, 1995.

### **397.559 Submission and contents of plan; approval of plan; jurisdiction.**

Sec. 9. Following establishment of a cooperative board, the cooperative board shall submit to the department a plan that designates and describes the responsibilities of the cooperative library, provides for future selection of cooperative board membership, and gives notice of the cooperative board's meeting dates. The original plan and any substantial modification shall be approved by the department. A cooperative board has no jurisdiction over the property or management of a local library.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

### **397.560 Fiscal year and funds of cooperative library.**

Sec. 10. The fiscal year of the cooperative library is October 1 to September 30, except where the cooperative library must conform to the fiscal year fixed by another state law or local charter. The funds of the cooperative library shall be deposited in banks designated by the cooperative library board.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977.

### **397.561 Use of facilities and resources of member libraries; availability of services of cooperative library; appeal from refusal of service.**

Sec. 11. Following establishment of a cooperative board, residents of the cooperative library's area are eligible to use the facilities and resources of the member libraries subject to the rules of the cooperative library plan. Services of the cooperative library, including those of participating libraries, are to be available at reasonable times and on an equal basis within the areas served to schoolchildren, individuals in public and nonpublic institutions of learning, and a student or resident within the area. An applicant refused service may appeal to the department, which shall review the operation of the cooperative library and may withhold state aid funds until the services are granted.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 1984, Act 432, Imd. Eff. Jan. 11, 1985;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

### **397.561a Nonresident borrowing fees.**

Sec. 11a. A library may charge nonresident borrowing fees to a person residing outside of the library's service area, including a person residing within the cooperative library's service area to which that library is assigned, if the fee does not exceed the costs incurred by the library in making borrowing privileges available to nonresidents including, but not limited to, the costs, direct and indirect, of issuing a library card, facilitating the return of loaned materials, and the attendant cost of administration.

**History:** Add. 1984, Act 432, Imd. Eff. Jan. 11, 1985.

### **397.562 Resolution requesting local board to become participating library; rights, duties, and privileges of participating library.**

Sec. 12. Once a cooperative plan has been accepted by the department and a cooperative board has been established, a local board shall adopt a resolution requesting that the local library become a participating library in the cooperative library. Duplicate copies of the resolution, certified by the clerk of the local board, shall be filed with the cooperative board. The cooperative board shall accept or show reason for denial of the request for membership within 60 days after filing. When the cooperative board has accepted the resolution, the resolution and the acceptance shall be indorsed and a copy filed with the department. The participating

library has the same rights, duties, and privileges as other libraries participating in that cooperative library.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

### **397.563 State aid for cooperative libraries.**

Sec. 13. A cooperative library shall be granted continuing state aid at the rate of 50 cents per capita for its served population.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977.

### **397.564 Cooperative board to provide services to member libraries within area of cooperative library.**

Sec. 14. A cooperative board shall provide, directly or through a written contract, services to member libraries within the cooperative library's area. The services, subject to standards approved by the department in consultation with the state librarian, may include:

- (a) A central pool or rotating book collection.
- (b) In-service training.
- (c) Book selection aids.
- (d) Bibliographic services.
- (e) Audio-visual services.
- (f) Bookmobile service or other outlets to outlying areas.
- (g) Publicity and public relations.
- (h) Printing.
- (i) A centralized purchasing operation.
- (j) Centralized processing, including cataloging and marking.
- (k) Reference services.
- (l) Delivery service.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

### **397.565 Payment for services by member libraries; cooperative library headquarters.**

Sec. 15. When the state aid grant is insufficient to provide all services, the member libraries may be required to pay for services in a priority order to be specified in the cooperative plan. Cooperative library headquarters shall be linked to the library of Michigan and may be required upon adequate funding to provide other services considered essential to good public library service and so designated by the department in consultation with the state librarian.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 1982, Act 541, Eff. Mar. 30, 1983;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

**Compiler's note:** For transfer of powers and duties of library of Michigan and state librarian, except pertaining to services for blind and physically handicapped and those related to census data functions, to department of education, see E.R.O. No. 2009-26, compiled at MCL 399.752.

### **397.566 State aid for public libraries; reimbursing public libraries for salary of head librarian; employee wage increases; certifying salary of head librarian.**

Sec. 16. (1) A public library shall receive 35 cents per capita from state aid during the fiscal year 1977-78 if in the prior year the public library received local support equal to that required by this act.

(2) A public library shall receive 50 cents per capita from state aid during the fiscal year 1978-79 if in the prior year the public library received local support equal to that required by this act, the library has not reduced its local support by an amount equal to or larger than the state aid from the previous year without the approval of the department, and the library meets the minimum standards established by the department and this act.

(3) A public library belonging to a cooperative library shall receive from state aid for the fiscal year 1977-78 an additional 15 cents per capita, all or a part of which must be used to pay for cooperative services from the cooperative board as provided by section 15 and the cooperative plan.

(4) A public library belonging to a cooperative library shall receive from state aid each year after fiscal year 1977-78 an additional 50 cents per capita, all or part of which shall be used to pay for cooperative services from the cooperative board as provided by section 15 and the cooperative plan. When the cost of the cooperative library services has been paid, any remaining portion of the grant may be applied to local services under subsection (2). Each public library cooperative that qualifies under this act during fiscal year 1977-78 and following years shall receive an amount of \$10.00 per square mile for the area that it serves if the area served has fewer than 75 people per square mile.

(5) A public library that is a county library serving a population of 50,000 or fewer that appoints to the



office of head librarian a person with either a bachelor of arts or a bachelor of science degree from a college or university approved by an accrediting association of more than statewide standing, including or supplemented by 1 full year of training in a library school accredited by the American library association and with at least 4 years' experience in an administrative capacity in an approved library, shall be reimbursed for that portion of the salary not exceeding \$400.00 for any 1 month or \$4,800.00 in any 1 year, if the county library received during the last completed fiscal year before the year in which distribution is to be made, from the county or counties not less than \$3,600.00 exclusive of money received from federal or state grants in aid to the library. Wage increases to present employees shall be paid equally by the state and local governments. Before September 6, December 6, March 6, and June 6 of the year of distribution, the county library board or the board's authorized agent shall certify to the department the actual amount of the salary paid the head librarian during the 3-month period immediately preceding those months.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

### **397.567 Compliance with certification requirements as qualification for state aid.**

Sec. 17. A cooperative library and public library shall conform to certification requirements for personnel as established by the department in order to qualify for state aid.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

### **397.568 Application for state aid; certification.**

Sec. 18. A cooperative library and public library desiring to participate in state aid shall apply before February 1 of each year of distribution. The applicant shall certify to the department the amount of money received from each source during the last completed fiscal year before October 1 of the year of distribution.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

### **397.569 Distribution of state aid; statement; vouchers; warrants.**

Sec. 19. The department shall prepare a statement of the amount to be distributed in accordance with this act. Vouchers for disbursement of state aid shall be signed by an authorized agent of the department and delivered to the department of management and budget, which shall draw up warrants on the department of treasury in favor of the fiscal agent of the cooperative board or local board. State aid shall be distributed by September 30 of the year of distribution.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

### **397.570 Deposit of money in separate fund; review of expenditures.**

Sec. 20. A cooperative library or public library receiving state aid shall deposit the money in a separate fund. Expenditures from that fund are subject to review by the department or its authorized representative.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

### **397.571 Expenditure of state aid.**

Sec. 21. State aid paid to a cooperative library or a public library may be used for any expenditure, including the cost of intersystem or intrasystem contracts.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977.

### **397.572 Dispute; hearing; decision.**

Sec. 22. When there is a dispute concerning the cooperative library to which a public library shall belong, services rendered to member libraries, or the operations of a cooperative system which cannot be resolved on the local level, the department may hear the case. The decision of the department is final.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

### **397.573 Needs considered by state board in carrying out powers and duties.**

Sec. 23. The department shall consider the following needs in carrying out its powers and duties:

(a) Library facilities shall be provided to residents of the area covered by a cooperative library without needless duplication of facilities, resources, or expertise.

(b) Establishment of a local public library may be approved for state aid purposes where local conditions require an additional local public library.

(c) Existing public libraries and new public libraries shall cooperate to provide adequate library services at a reasonable cost.

(d) Increased effort shall be made to provide residents the right to read, with added emphasis on areas which normally cannot provide those services.

(e) Local responsibility, initiative, and support for library service shall be recognized and respected when provision is made for adequate local and cooperative library service.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

**397.574 Repealed. 1982, Act 541, Eff. Mar. 30, 1983.**

**Compiler's note:** The repealed section conferred authority on state board to promulgate rules.

**397.575 Appropriation.**

Sec. 25. (1) There is appropriated for public libraries from the general fund of the state for the fiscal year ending September 30, 1977, and for each fiscal year thereafter, the sum necessary to fulfill the requirements of this act. The appropriation shall be distributed as provided in this act.

(2) It is the intent of the legislature that money available in subsection (1) be used solely for assistance to public libraries or cooperative libraries and not for the administrative expenses of the library of Michigan or the department of history, arts, and libraries.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977;—Am. 2001, Act 65, Eff. Oct. 1, 2001.

**397.576 Repeal of MCL 397.501 to 397.527.**

Sec. 26. Act No. 286 of the Public Acts of 1965, being sections 397.501 to 397.527 of the Compiled Laws of 1970, is repealed.

**History:** 1977, Act 89, Imd. Eff. Aug. 2, 1977.

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