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BILL ANALYSIS

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Senate Fiscal Agency

• Lansing, Michigan 48909

• (517) 373-5383

State Law Library

House Bill 4769 (as reported without amendment)

Sponsor: Representative Carl Gnodtke

House Committee: Towns and Counties

Senate Committee: Local Government and Veterans

Date Completed: 11-20-87

RATIONALE

Public Act 128 of 1984 authorizes townships, cities, and villages that are adjacent to another township, city, or village that supports a free public library, to contract with the adjacent municipality for the use of library services. To pay for the services, the township, city, or village may levy a tax of not more than one mill of the municipality's State equalized valuation. The decision of whether to contract for library services, and the rate of taxation to be levied for that purpose, are determined by the electors of the municipality. Since the Act was passed, however, inflation has left some libraries in need of more funds, and the revenue received from the one-mill tax levy may fall slightly short of the amount a library needs to cover its costs. While a small increase to 1.1 mills, for example, might be sufficient, and the municipality that contracts for library services might be willing to vote in favor of a higher levy, the law does not allow a levy over one mill.

CONTENT

The bill would amend Public Act 128 of 1984 to increase the maximum allowable tax levy for the use of library services from one to two mills.

MCL 397.213

FISCAL IMPACT

The bill provides for a local option property tax increase for supporting library services. The revenue to be generated is unknown.

ARGUMENTS***Supporting Argument***

If the voters in a municipality that contracts for library services are willing to approve a higher tax levy, they should be authorized to do so. By increasing the maximum allowable tax levy, the bill would enable the contracting municipality to pick up more of its share of the library's expenses, and improve the ability of the municipality supporting the library to cover its costs.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

H.B. 4769 (11-20-87)