

STATE AID TO PUBLIC LIBRARIES ACT (EXCERPT)
Act 89 of 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