

MLA Advocacy - January 26, 2017



Tax Capture Relief Next Steps

Governor Rick Snyder signed into law SB 619-624 now PA 505-510 providing for specially dedicated library millages to be exempt from a number of tax captures. This achievement not only ensures millions of future tax dollars will go to libraries, but it is recognition by the legislature and administration that libraries are unique and important. Our special millages were the only ones given consideration (only the fourth historically) for an exemption in a year that saw a multitude of TIFA bills introduced. This is an incredible recognition by the Michigan legislature of the importance of libraries in this state.

Library funding in Michigan is unique, varied and often complex. The same is true for many libraries' connections to their local government and tax capture entities. As a result, there are questions about how the changes impact individual libraries. To ensure your library benefits from these changes, we recommend that you contact your library's attorney for advice and guidance.

Please take note: If your library receives a notification from your tax capture of a public hearing you should continue to opt out with a board resolution and official communication to the tax capture authority if that is the board's choice. Again, we recommend you contact your library's attorney for guidance.

MLA is working on clarifying some of the language for the new laws. When this is completed, we will provide templates on our website for letters to assist with your communication to your taxing authorities and tax captures. Since it is likely your taxes are levied either in July or December, it is not necessary to contact your tax capture authority at this time except to respond to a public hearing to opt out. **It is important that you continue to respond to a notice of public hearing.** Of course, we encourage your library board to thoughtfully consider whether participation in a tax capture is in the best interest of the library community before choosing to opt out.

The new legislation pertains to: 1980 PA 450 Tax Increment Finance Authority Act; 1975 PA

197 Downtown Development Authority Act; 2005 PA 280 Corridor Improvement Authority Act; 2008 PA 94 Water Resource Improvement Tax Increment Finance Authority Act; 1986 PA 281 The Local Development Financing Act; and 2004 PA 530 Historical Neighborhood Tax Increment Financing Authority Act. Under the new laws:

1.

Libraries are exempt from all new tax capture. A library may choose to participate (opt in). Exception: City libraries established under PA 164 section 1 or 10 a (MCL 25 397.201 and 397.210A) or established under 1869 LA 233 should continue to work with their city leadership on an opt out plan if that is their choice.

2.

A library may now opt out of any current tax capture when it changes either its boundaries or extends the duration of an existing finance plan.

3.

Libraries are exempted from any current tax capture if the tax capture authority has no current outstanding debt obligation.

Through the outstanding efforts of hundreds of MLA members and dedicated librarians, your Michigan Library Association and the GCSI team, we were able to accomplish a goal this organization has been working toward for more than two decades.

If you haven't thanked the Governor for supporting our libraries please take a moment to contact him: To contact the governor today, go to <http://cqrcengage.com/alami/action> and click the "Take Action" button.

We appreciate the work of Senator Jack Brandenburg (R-Harrison Township) for his extraordinary efforts on behalf of libraries; bill sponsors: Sen. Mike Kowall (R-White Lake), Sen. Jim Marleau (R-Lake Orion), Sen. Pete MacGregor (R-Rockford), Sen. Rick Jones (R-Grand Ledge), Sen. Jim Stamas (R-Midland), and Sen. David Robertson (R-Grand Blanc); and to the Michigan legislature for their unwavering support of our libraries. You can see how your

legislator voted [here](#) .

Without our collective efforts led by outstanding librarian leadership and a very dedicated MLA, this success would not have been possible. These accomplishments are a tremendous first step and our work continues on this important issue.

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