

**2013 Library District Task Force
Discussion
November 7, 2013**

Background

Through the work of the Montana State Library (MSL) the 2001 Legislature passed legislation that allowed for the creation of Public Library Districts codified as [Montana Code Annotated 22-1-7](#). Public library districts are established through the electoral process and include dedicated mill levies to provide funding to support the operation of the districts. It is because library districts have the ability to generate dedicated funding that can be more secure and, can therefore offer more services to their patrons, that they are strongly encouraged by MSL.

In 2005, Stevensville created the first public library district known as the North Valley Library District. Since then several public library districts and one multi-jurisdictional library district have been formed, all in Western Montana.

While Montana has had its share of successful public library district campaigns (most recently in May with the creation of the Ronan District Library), over the past 12 years, the library community and MSL staff have identified problematic sections of Montana Code that make the creation and/or administration of public library districts challenging. With the aid of those most experienced with library districts, the Montana State Library seeks to evaluate potential improvements to the code that may be presented to the 2015 Legislature.

Discussion

Creation of Library Districts

- 1) Legal boundaries
 - [22-1-702](#): Should statute require district boundaries be co-terminus with existing tax districts such as counties or school district boundaries? Note: Though not currently required by statute, all current districts are based on school district boundaries.
- 2) Petition process
 - [22-1-702](#): Statute states that 15% of the qualified electors who reside in the proposed district must sign a petition to initiate the creation of a library district. Should these percentages be further defined?
- 3) Voted levies
 - [22-1-703](#): Is it necessary to improve this statute to further clarify that library districts are funded through voted levies? Note: 22-1-702 and 22-1-708 require that levies be subject to MCA 15-10-420.
- 4) Eligible voters
 - [22-1-703](#): Current statute states that only qualified electors who reside in the proposed district may vote on the question of whether or not to create a district. Should the legislation be amended to allow electors outside the boundary of a proposed district to

vote if their taxes and or library services may be impacted by the creation of the district?

5) Transition plan

- [22-1-702](#): Should statute require a transition plan be included with a library district petition that outlines the transfer of assets including property, staff, materials, and funds in library reserves and/or depreciation funds? [7-3-157](#) offers guidance when transferring to alternative forms of local governance. Similar requirements could be included in [22-1-705](#) to inform how to combine assets when existing library services from separate jurisdictions are combined into a single district.

Administration of Library Districts

1) Personnel

- [22-1-707](#): Statute gives library district boards the authority to administer or contract personnel for the operation of the library district. Should statute provide additional personnel policy requirements? Note: email discussion seemed to indicate agreement that personnel policies are generally local issues. This could be an area where the State Library could provide better guidance to districts.

2) Financial administration

- Statute is currently silent regarding the financial administration of library district funds. Should legislation require library districts to deposit funds with the county treasurer as is the case with fire districts? See: [MCA 7-33-2105](#).
- Further clarification regarding local government fiscal management can be found in MCA [7-6-2](#), [7-6-2527](#), [7-7-1](#), and [7-8-101](#).

3) Additional powers of the board:

- [22-1-707](#): Statute defines the duties of library district boards. Is there benefit from better aligning this statute with the duties prescribed to library boards in [22-1-309](#)?

4) Election of Boards of Trustees

- [22-1-706](#): It can be inferred that statute requires the election of library district board members be administered by the election administrator (typically a county clerk and recorder). Would the election process be improved if the statute stated this requirement explicitly?

5) Insurance

- Where and how might statute make it easier for library districts to obtain affordable insurance?

6) Library Depreciation Reserve Fund

- [22-7-716](#): Statute gives library districts the authority to establish library depreciation funds. Would libraries benefit by including language from [7-6-616](#) requiring the creation of a capital improvement plan. Note: certain counties already require such plans.
- Upon the creation of a library district, when a district is being formed from already existing library services, should the statute prescribe allocation of funds from the library depreciation fund? Suggested language:

22-1-704. Formation of public library district -- appointment of initial board of trustees and disposition of reserve fund balances. (1) If a majority of the votes cast at the election in the territory of each county included in the proposed public library district approve the formation of the district, the governing body of each county shall, within 10 days of the receipt of the official canvass of the result, certify that the district is formed.

(2) Within 30 days after the certification of the formation of the public library district, the governing body of each county with territory included in the district shall jointly appoint the initial members of the district's board of trustees. The members shall serve until their successors are elected and qualified.

(3) Within 90 days after certification, the governing body of each county with territory in the district shall receive a report from the clerk and recorder on the moneys in the library depreciation reserve fund, when one was established pursuant to 22-1-716, stating the current balances and pro-rating them according to a proportional distribution of the prior year property tax revenue collected in the county within the new district and outside the boundaries of the new district. The report also may itemize any public or private grant moneys within the reserve fund that were originally designated for one library within a multi-library county.

(4) The county governing body shall hear testimony of all interested persons at a scheduled meeting on the report and disposition of the moneys in the library depreciation reserve fund among the new district and the other library or libraries within the county. After the hearing, the county governing body may seek additional information prior to setting by resolution the fund distribution to the current library or libraries and the new library district.

Additional Considerations

- 1) The issue of double taxation
 - [22-1-313](#): Statute deems that residents served by tax-supported city libraries may be exempted from taxes for county library systems. Would it benefit libraries to enact similar legislation for library districts? Note: double taxation does not seem to be occurring in current practice.

Process and timeline

- a. November 7th Task Force meeting.
 - i. Discussion: Recommend any proposed changes to MCA
 - ii. Discussion: Review ways to strengthen the process of creating library districts
 - iii. Discussion: Discuss what new kinds of assistance can MSL provide to local libraries interested in creating a district?
- b. ACTION ITEM: to MSL: Draft recommendations to State Librarian (MSL staff).
- c. Share draft report with task force via listserv, gather feedback from task force.
- d. Seek legal analysis if necessary.
- e. Final draft report and recommendations to State Librarian by Nov. 20
- f. December 11: Commission to review draft recommendations
- g. January and February, 2014: Share report with Montana librarians for feedback and input. Preparation and planning for statutory change process if needed.
- h. Share report with the Montana Library Commission at their February, 2014 meeting.

- i. Spring, 2014 : If changes to MCA are recommended, share them with the Governor's Office during the Executive Planning Process.