

Legislative Analysis



SCHOOL DISTRICTS: CREATING NEW DISTRICT LIBRARIES

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5597 (reported without amendment)

Sponsor: Rep. Adam F. Zemke

Committee: Local Government

**Analysis as Reported from Committee
(Complete to 11-24-14)**

BRIEF SUMMARY: The bill would eliminate the January 1, 2015, sunset that prohibits school districts from establishing a new district library after that date.

FISCAL IMPACT: House Bill 5597 would have no fiscal impact on the state and a possible, but indeterminate revenue increase for local units of government. The bill would allow local libraries the possibility of increasing their funding base as a district library. Becoming a district library may allow a local library to access additional funding streams, a higher millage rate, and a larger tax base.

This bill may impact at least two public libraries considering conversion to district libraries: Milan Public Library (Milan Area Schools) and Stair Public Library (Morenci Public Schools). These libraries may have difficulty making the current deadline of January 1, 2015, for completing paperwork in applying for district library status.

THE APPARENT PROBLEM:

Following Michigan's 2007-2010 economic recession, many local officials report significantly reduced revenue, because their property tax collections declined after houses and other property lost resale value. Consequently, local officials seek to cut the costs of local services, often by forming collaborative partnerships with officials in other local units of government.

For example, the City of Morenci and the Morenci Area Schools are exploring the creation of a district library following the city's 16 percent decrease in funding for the Stair Public Library. (Library funding was cut because Morenci experienced a \$20 million decrease in property values after 2010, which resulted in a \$130,000 decrease in property tax collections. The declining revenue required a 30 percent reduction in funding for police, a 15 percent decrease in funding for fire, and a 16 percent decrease in funding for the library. In another case, the Milan Public Library is pursuing a service area beyond the city limits and hopes to create a district library with the Milan Area Schools.

Michigan's District Library Establishment Act allows two or more municipalities—defined to include cities, villages, school districts, townships, and counties—to join together to create a district library. However, a current "sunset provision" in the act

prevents school districts from doing so after January 1, 2015. Legislation has been introduced to eliminate that sunset date.

THE CONTENT OF THE BILL:

House Bill 5597 would amend the District Library Establishment Act to eliminate the January 1, 2015, sunset that prohibits school districts from establishing a new district library after that date.

Currently the act defines the term "municipality" as follows: *municipality means a city, village, school district, township or county. Municipality shall not include a school district for the purpose of establishing a new district library after January 1, 2015.* House Bill 5597 would eliminate the underlined portion of the definition.

In addition, the bill changes the definition of the term "department" by eliminating a reference to the now disbanded Department of History, Arts, and Libraries, and substituting, instead, the Department of Education, which is now responsible for administering library services.

Finally, the bill changes the definition of the term "state librarian" to mean the Department of Education (eliminating a reference to the librarian appointed under Section 5 of the Library of Michigan Act).

MCL 397.172

BACKGROUND INFORMATION:

For more information about the Milan Public Library, visit www.milanlibrary.org

To learn more about Stair Public Library, visit the City of Morenci website at www.CityofMorenci.org. There, click on "Community" and select Stair Public Library on the drop-down menu.

ARGUMENTS:

For:

By removing a January 1, 2015, "sunset" date, the legislation allows the cities of Milan (located in Washtenaw and Monroe counties) and Morenci (located in Lenawee county) to expand their public library service areas to incorporate the geographic areas of their respective school districts—Milan Area Schools and Morenci Area Schools. In doing so, the new partners will share costs that are now borne by the cities only.

POSITIONS:

Milan Public Library and the City of Milan support the bill. (11-13-14)

Stair Public Library and the City of Morenci support the bill. (11-13-14)

The Michigan Library Association supports the bill. (11-13-14)

Legislative Analyst: J. Hunault
Fiscal Analysts: Bethany Wicksall
Sam Christensen

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.