

# Legislative Analysis



## COUNT ONLY IN-STATE RESIDENTS FOR CERTAIN STATE LIBRARY FUNDING

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**House Bill 5618 (H-1) as reported from committee**  
**Sponsor: Rep. Pamela Hornberger**  
**Committee: Commerce and Trade**  
**Complete to 3-7-18**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5618 would amend the State Aid to Public Libraries Act to specify that certain per capita and related payments received from the state are based on a library's population of in-state residents served.

Currently under the act, a cooperative library is granted continuing state aid at the rate of 50 cents per capita for its served population. The bill would change this provision so that the aid would be 50 cents per capita for the cooperative library's population of in-state residents served.

Also under the act, a public library receives 50 cents per capita from state aid during the fiscal year 1978-79 if in the prior year the library met certain standards set forth in the act. The bill would change this provision so that the aid to a public library would be 50 cents per capita for its population of in-state residents served.

Also under the act, for each fiscal year after 1977-78, a public library that belongs to a cooperative library receives from state aid an additional 50 cents per capita, to be used to pay for the cooperative services. Again, the bill would change this provision so that the aid would be 50 cents per capita for the public library's population of in-state residents served.

Each public library cooperative qualified under the act receives \$10 per square mile for the area that it serves if the area served has fewer than 75 people per square mile. The bill would change this provision so that the \$10 would be received for the area that it serves within this state that has fewer than 75 people per square mile.

Finally, a certain public library that is a county library serving a population of 50,000 or fewer is eligible for a salary reimbursement for a specific employee in certain circumstances. The bill would change the population requirement for this public library to be 50,000 or fewer in-state residents.

MCL 397.563 and 397.566

## **BRIEF DISCUSSION:**

According to testimony before the House Committee on Commerce and Trade, the bill is related to Michigan's recent enactment of legislation to enter the Interstate Library Compact (see **Fiscal Impact**, below). The Compact allows Michigan libraries to enter into shared service agreements with libraries in bordering states that are also a party to the Compact. Some state aid to libraries is based on the per capita population served by the library. As such, if a Michigan library entered into an agreement with an Indiana library, it could potentially count the Indiana individual as a resident served by the library and increase its per capita state aid.

Proponents note that the bill is a simple clean-up to the Compact legislation and ensures that taxpayer dollars in Michigan are dedicated to services received by Michigan residents.

## **FISCAL IMPACT:**

House Bill 5618 would have no fiscal impact on the state or local units of government. Public Act 173 of 2017 (Senate Bill 278) entered Michigan into the Interstate Library Compact and thereby possibly permitted local libraries to count out-of-state residents in their per capita membership rate, which is used to distribute state aid to libraries (state funds) and penal fine (county funds) revenue sources. Currently, there are no out-of-state residents counted in local per capita membership. However, if a district includes out-of-state residents, it would raise their membership counts, which would increase their proportion received from state aid to libraries and penal fine revenues while decreasing the proportion received by other libraries.

## **POSITIONS:**

No positions were offered on the bill.

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