



**Senate Fiscal Agency**  
**P. O. Box 30036**  
**Lansing, Michigan 48909-7536**

---

---

**BILL ANALYSIS**

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

---

---

Senate Bill 278 (as passed by the Senate)  
Sponsor: Senator John Proos  
Committee: Commerce

Date Completed: 6-22-17

### **RATIONALE**

The Interstate Library Compact allows state and local libraries to enter into agreements for the provision of services and use of facilities across state lines. Currently, Michigan is not a member of the Compact. As a result, apparently, residents of this state who have attempted to use the services of libraries in other states have been denied those services. To address this issue, it has been suggested that Michigan join the Interstate Library Compact.

### **CONTENT**

**The bill would enact the "Interstate Library Compact" to enter Michigan into the Interstate Library Compact with any bordering state that joined it.**

**The Compact does the following:**

- **Allows the officials and agencies of the party states or their political subdivisions to enter into agreements for the cooperative or joint conduct of library services.**
- **Prescribes the matters to be addressed in an agreement for the cooperative or joint establishment, operation, or use of library services, facilities, personnel, or other items.**
- **Specifies that nothing in the Compact supersedes, alters, or impairs an obligation imposed on a public library by law.**
- **Requires each party state to designate a Compact administrator.**
- **Prescribes the procedure for a state's withdrawal from the Compact.**

Under the bill, the Interstate Library Compact would be enacted into law and entered into on behalf of the State with any state bordering on Michigan that legally joined the Compact in substantially the form described below.

#### **Article I--Purpose**

Article I states, "Because the desire for the services provided by public libraries transcends governmental boundaries and can be provided most effectively by giving such services to communities of people regardless of jurisdictional lines, it is the policy of the states who are parties to this compact to co-operate and share their responsibilities in providing joint and co-operative library services in areas where the distribution of population makes the provision of library service on an interstate basis the most effective way to provide adequate and efficient services."

#### **Article II--Procedure & Article III--Content**

Article II specifies that the appropriate officials and agencies of the party states or their political subdivisions may enter into agreements for the cooperative or joint conduct of library services when they find that the execution of agreements to that end will facilitate library services.

Under Article III, any such agreement for the cooperative or joint establishment, operation, or use of library services, facilities, personnel, equipment, materials, or other items must do the following: a) detail the specific nature of the services, facilities, properties, or personnel to which it is applicable; b) provide for the allocation of costs and other financial responsibilities; c) specify the respective rights, duties, obligations, and liabilities; d) stipulate the terms and conditions for duration, renewal, termination, abrogation, disposal of joint or common property, if any, and all other matters that may be appropriate to the proper effectuation and performance of the agreement.

#### Article IV--Conflict of Laws & Article V--Administrator

Article V specifies that nothing in the Compact or in any agreement entered into under it may be construed to supersede, alter, or otherwise impair any obligation imposed on any public library by otherwise applicable laws.

Article VI requires each state to designate a Compact administrator with whom copies of all agreements to which his or her state, or any of its subdivisions, is a party must be filed. The administrator has powers conferred by his or her state's laws. The administrator also may consult and cooperate with the Compact administrators of other states and take steps to accomplish the purposes of the Compact.

#### Other Provisions

Article VI states that the Compact will become operative immediately upon its enactment by any state or between it and any other contiguous state or states that enact it.

Under Article VII ("Renunciation"), the Compact will continue in force and remain binding on each party state until six months after a state gives notice of repeal by its legislature. The withdrawal may not be construed to relieve any party to an agreement authorized by Article II and III from the obligation of that agreement before the end of its stipulated duration.

Article VIII specifies that the compact's provisions are severable and states, "It is intended that the provisions of this compact be reasonably and liberally construed."

### **BACKGROUND**

According to the National Center for Interstate Compacts (NCIC), the Interstate Library Compact "[a]uthorizes state, local, and private libraries to enter into agreements for provision of services and utilization of facilities on an interstate basis, including the creation of joint library districts. Compact eligibility is nationwide in scope." The NCIC website lists 34 states that are members of the Compact.

The states bordering on Michigan that have joined the Compact are Indiana and Ohio.

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Supporting Argument**

Local libraries provide a variety of excellent resources for individuals to gain access to information and educate themselves. A Michigan resident living in a border town may be closer to a library in another state than to one in Michigan. In some situations, regardless of distance, an out-of-State library might have a broader range of services or a larger inventory of media to borrow and use. Currently, however, a Michigan resident is prevented from using the out-of-State library's services because Michigan is not a member of the Interstate Library Compact. By entering Michigan into

the Compact, the bill would enable residents to use services offered by libraries of other Compact states. A majority of states (34, including Ohio and Indiana) are members of the Compact.

Legislative Analyst: Jeff Mann

### **FISCAL IMPACT**

The bill would have a small fiscal impact on the Library of Michigan and an indeterminate impact on local libraries. The Library of Michigan would be required to include a Compact administrator, which would increase the Library of Michigan by 1.0 FTE position, with an appropriation increase necessary to fund that position's salary and benefits. The bill also could affect the State aid to library funding if a Compact agreement with another state allowed libraries to include populations across the State border for the population used to calculate the State aid to library payment. If this had an impact on only a few libraries, current State aid payments would be largely unaffected; however, if this allowed libraries at the border to significantly increase their population count, then the per capita payment amount would decrease in proportion to the increase in total State population. If the State wanted to ensure that there were no decreases to the per capita payment, additional appropriations could be needed.

The bill would have an indeterminate, but likely positive impact on local libraries that are located on the Michigan border with other states. How services would be shared across the border would be determined at the local library level and could allow some libraries to share services, facilities, equipment, materials, or other items at a lower cost. If agreements allowed libraries to claim populations across the border in their population count, then a local library's State aid to library payment would increase; the reverse would apply for populations claimed by libraries across the Michigan border. If a significant number of libraries were able to claim populations across the State border and this allowed them to receive increased State aid payments, then other libraries could see decreases in their State aid payment if additional appropriations were not made for State aid to libraries. State aid to library payments account for just under 2.5% of total public library revenue in the State, which means that minor changes in the State aid to library payment would be unlikely to have a significant impact on a library's total operating revenue.

Fiscal Analyst: Cory Savino

SAS/A1718\278a

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.