

Description of Proposed Public Library District Enabling Legislation

Prepared by a committee of the System and Resource Library
Administrators Association of Wisconsin (SRLAAW)

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Executive Summary

Public library district legislation is permissive legislation which would allow the establishment of a public library district by a municipality, by contiguous municipalities, or by any municipality and contiguous areas, such as subdivisions. The legislation specifies that district boundaries are to be determined based on use of that library by area residents. The legislation would provide for more equity in library funding, would involve residents in decisions about level of funding, and would encourage more effective and more efficient units of service.

Library districts would have to include a minimum population of 4,000, include an existing public library, and receive written approval from the Division for Library Services to create a district. The process of conversion would be by referendum. The mill rate limit is set by referendum and can only be changed by referendum.

District library boards are elected. They have the same powers as currently provided for municipal library boards in Chapter 43 of the Wisconsin Statutes.

[Note: For purposes of this report, "municipality" is defined as a city, county, village, town, or a school district that maintained and operated a public library facility prior to December 17, 1971.

Goals

This legislation is needed to:

- 1) Provide an equitable method for funding public libraries that preserves universal access to public library service
- 2) Provide a method that allows greater citizen involvement in determining the level at which public libraries are supported, and greater participation in governance.
- 3) Encourage the development of more effective and more efficient units of service.

Basic Premise

Library service programs would be improved, in most communities,

- if the library's tax base is expanded
- if users of a library pay the same tax rate, regardless of whether they live inside or outside municipality boundaries.

Needs

Many public libraries which are established as municipal libraries are unable to meet basic public library standards because of a limited tax base. In 1991, of the 379 public libraries in Wisconsin, 91 had less than \$35,000 in operating income even though taxing at or above the state average for library service.

There is often a great disparity in the level of taxation for library services paid by public library users based solely on whether they live inside or outside a municipality's corporate boundaries. In 1991, residents supporting a local municipal library averaged \$21.31 per capita. Non-residents supported public library service at an average rate of \$7.47 per capita.

The non-resident support level is determined primarily by county boards. Most county boards provide inadequate support for public library service to people who live outside municipalities with libraries. They have been reluctant to increase this support, never more than at present when social service costs and non-funded mandates are placing great pressure on their budgets. The current provision in the law for joint libraries has been ineffective in addressing this tax equity problem.

Many capital projects (buildings, automation, etc.) are paid for by municipal residents only, with no support from taxpayers in outlying areas.

Rural people need more involvement in the governance of their public library. Currently many libraries have no representation on their library boards from rural areas, and some are under-represented.

Description of Proposal

Conditions for Formation

The proposal permits the establishment of a public library district by a municipality, by contiguous municipalities, or by any municipality and contiguous areas provided that all three of the following conditions are met:

- 1) the population served by the proposed public library district upon its establishment is at least 4,000,

- 2) a municipality currently operating a legally established public library is part of the proposed public library district, and
- 3) the Division for Library Services (DLS) issues a favorable written opinion regarding establishment of the public library district as proposed. This opinion will take into consideration the following:
 - a. whether the proposed boundaries are reasonable based on prevailing library use patterns, or at least are not in conflict with such patterns
 - b. whether the proposed budget and initial levy limit guarantee a total amount at least equal to the previous level of library expenditures in the district area and are adequate to cover costs resulting from the establishment of the district library
 - c. whether at the time of formation the district library will be a member of a public library system subject to the provisions in Wisconsin Statutes.

Planning for Conversion to a District

A plan for conversion or creation of a library district must be developed before a decision can be made regarding such creation. This plan is developed by a district library planning committee. This committee can be established by either one of the following two methods:

- 1) a favorable vote of two thirds (2/3) of the governing body of any municipality in the proposed district, or
- 2) by petition of residents of any municipality (based on existing law).

Planning committee members are selected and appointed by the governing body of the municipality approving the establishment of the planning committee. Appointment should be representative of those areas anticipated to be in the proposed district.

The size of the planning committee can range from 7 to 11 members. This committee develops the plan for formation and operation of the district. It also determines the initial mill rate required for implementation of the plan and provision of service.

District libraries are encouraged to establish their boundaries on the basis of library use patterns of residents. Boundaries do not necessarily have to coincide with those of existing governmental jurisdictions.

Conversion Methods

The initial plan and related mill rate are submitted to the electorate for approval. Referenda are to be held prior to the tax levy being set in those areas to be included in the district. A majority vote in each municipality and proposed area is required to create the district as proposed. If there is not a favorable vote in all municipalities and areas, a variation of the proposed district can be created for those areas in which the proposal passed as long as the conditions outlined earlier are met. (See Appendix A.) Formation of a public library district is effective on the first day of the year after the referendum has passed.

Upon formation of a public library district, the assets and liabilities of participating municipalities used for library purposes become the assets and liabilities of the district. This includes any building(s) solely occupied by and used for library purposes.

Governance

Library districts are governed by a 9-member board elected from the district in accordance with the district plan (provisions must be made for the establishment of terms of varying lengths). Board members are elected to 3-year terms. They are initially elected as part of the referendum to create the district.

All persons nominated for board membership must be legal residents of the library district and must maintain this status in order to continue as board members. A nomination for a position on the board of trustees shall be by at least fifty voters in the district.

The district board has the authority to levy a tax for the purposes of the district, e.g. making capital improvements, acquiring equipment, operating and maintaining the library, and debt retirement. This taxing authority exists within the limits imposed by the districts' electorate.

In addition to taxing authority, public library district boards have the powers and duties of library boards as provided in Wisconsin Statutes. They may also borrow money for the purchase/construction of a building and for the acquisition of sites or equipment.

Operations

The district mill rate limit is set at referendum. District library boards may levy any amount up to the maximum provided by the mill rate. This rate may only be changed by a majority vote via referendum. The district library board may call for a referendum for this purpose at any time. A referendum process for financing capital improvement bonds will be spelled out in the legislation. The fiscal year is the calendar year.

When a city or village annexes land, that land automatically becomes part of the public library district in which that city or village is located.

Boundaries

Residents of an area contiguous to an existing library district may petition for inclusion in the district. A library district may annex a contiguous area by ordinance (subject to referendum by petition). Such annexations must be justified on the basis of library use patterns of residents.

Additional municipalities which are contiguous to an established library district may join the district either through a favorable two-thirds (2/3) vote of their governing bodies or through approval of the majority of the voters at an election.

The legislation will provide a mechanism for the review and revision of existing library district boundaries.

General Provisions

Municipalities which become part of a library district will not lose any state shared revenue due to the establishment of the district.

System boundaries will follow the boundaries of their members.

District libraries can exempt from the county tax, as do other libraries.

Relationship to Inform Wisconsin

There are a number of reasons why library district legislation is needed even with Inform Wisconsin in place.

1. Inform Wisconsin moderates funding inequities but does not eliminate them. A state goal will still be to share tax support more equitably among the people who provide the bulk of the use of a library.
2. Inform Wisconsin provides enhanced support for library operations, not for capital needs. Library districts will be able to address construction and other capital needs directly.
3. Library districts represent a type of local empowerment which balances somewhat a perceived loss of autonomy due to Inform Wisconsin.
4. Districts will enable the creation of stronger libraries than Inform Wisconsin will by itself.

Summary of the Benefits of Public Library District Legislation

1. Tax Rate Parity

All property owners of a district would pay the same tax rate per \$1,000 of property value (mill rate) for library service.

2. Adequate Population Base

The minimum population requirement should mean that the district will be able to take advantage of economics of scale not possible in very small library settings.

3. Rational Growth Allowed

Proposed annexation ability allows library districts to expand as the community develops, keeping likely library users in a uniform tax base.

4. Building Programs Made Easier

For modest capital projects the district would have the ability to make timely decisions, take advantage of low mortgage rates, etc.

5. Stable Funding

Providing the tax base is expanding, a district could set a levy amount at a rate sufficient to operate for a number of years without needing to annually seek funding approval. This allows for far better long range planning.

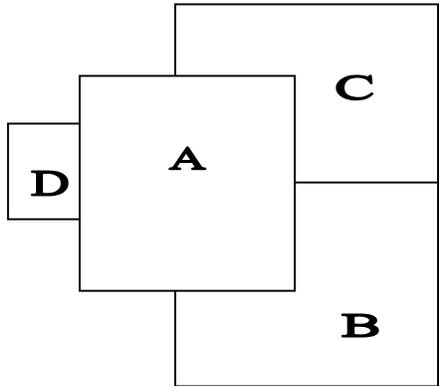
6. Library Autonomy

Decisions made on library services will come from people elected specifically to oversee library operations.

District Legislative Proposal drafted by SRLAAW Committee Members: Karen Krueger, Chair, Tom Hennen, Milt Mitchell, Bill Wilson, and Sharon Winkle. Assistance from Julie Chase.

Appendix A

Example of possible district variations:



A = Municipality with a library
B = Contiguous township
C = Contiguous township
D = Contiguous subdivision

Scenarios:

If the referendum passes in A, B, C, and D, the district is formed as proposed.

If the referendum passes in A, B, and D but fails in C, the district is formed for A, B, and D as long as the conditions for formation as specified in the law are met.

If the referendum passes in all areas but A, it fails, since an existing public library must be part of the new district.