

# Memo

**To:** Library Development Study Task Force

**From:** Jennie Stapp, State Librarian  
Sarah McHugh, Director of Statewide Library Resources

**Date:** May 13, 2015

**Re:** **Relevant Montana Statutes and Administrative Rules**

**22-1-103. State library commission -- authority.** The state library commission may:

- (1) give assistance and advice to all tax-supported or public libraries in the state and to all counties, cities, towns, or regions in the state that propose to establish libraries, as to the best means of establishing and improving those libraries;
- (2) maintain and operate the state library and make provision for its housing;
- (3) (a) accept and expend in accordance with the terms of a grant any grant of federal funds that is available to the state for library purposes;
- (b) accept, receive, and administer any gifts, donations, bequests, and legacies made to the Montana state library. Unless otherwise provided by the donor, gifts, donations, bequests, and legacies must be deposited in the Montana state library trust established in [22-1-225](#).
- (4) make rules and establish standards for the administration of the state library and for the control, distribution, and lending of books and materials;
- (5) serve as the agency of the state to accept and administer any state, federal, or private funds or property appropriated for or granted to it for library service or foster libraries in the state and establish regulations under which funds must be disbursed;
- (6) provide library services for the blind and for individuals with physical disabilities;
- (7) furnish, by contract or otherwise, library assistance and information services to state officials, state departments, and residents of those parts of the state inadequately serviced by libraries;
- (8) act as a state board of professional standards and library examiners, develop standards for public libraries, and adopt rules for the certification of librarians;
- (9) designate areas for and establish federations of libraries.

**History:** En. Sec. 2, Ch. 215, L. 1965; amd. Sec. 1, Ch. 357, L. 1974; R.C.M. 1947, 44-131(part); amd. Sec. 4, Ch. 339, L. 1995; amd. Sec. 21, Ch. 472, L. 1997; amd. Sec. 2, Ch. 73, L. 2005.

**22-1-326. State aid to public libraries.** (1) As used in [22-1-326](#) through [22-1-331](#), "public library" means a library created under Title 7 or under [22-1-301](#) through [22-1-317](#).

(2) As provided in [22-1-325](#) through [22-1-329](#), the commission shall administer state aid to public libraries and public library districts created and operated under part 7 of this chapter. The

purposes of state aid are to:

(a) broaden access to existing information by strengthening public libraries and public library districts;

(b) augment and extend services provided by public libraries and public library districts; and

(c) permit new types of library services based on local need.

(3) Money appropriated for the purposes of this section may not be used to supplant general operating funds of recipient public libraries or public library districts. The commission may withhold a distribution to a library or district that receives less support from a mill levy or local government appropriation than its average for the preceding 3 fiscal years if the decrease may reasonably be linked to money received or expected to be received under [22-1-325](#) through [22-1-329](#).

**History:** En. Sec. 2, Ch. 670, L. 1989; amd. Sec. 2, Ch. 356, L. 1991; amd. Sec. 1, Ch. 203, L. 2005.

**22-1-327. (Temporary) State aid -- per capita -- per square mile.** The commission shall distribute grants to public libraries and public library districts on a per capita and per square mile basis. (*Effective July 1, 2015*)

**22-1-327. (Effective July 1, 2015) . State aid -- per capita -- per square mile.** (1) The commission shall distribute grants to public libraries and public library districts on a per capita and per square mile basis.

(2) The total amount of annual per capita and per square mile funding to public libraries for each fiscal year is the base amount of 40 cents multiplied by the total number of residents of the state as determined by the most recent decennial census of the population produced by the U.S. bureau of the census.

(3) The amount determined under subsection (2) is statutorily appropriated, as provided in [17-7-502](#), from the general fund to the commission for distribution as state aid to public libraries. (*Effective July 2, 2017*)

**22-1-327. (Effective July 2, 2017) . State aid -- per capita -- per square mile.** The commission shall distribute grants to public libraries and public library districts on a per capita and per square mile basis.

**History:** En. Sec. 3, Ch. 670, L. 1989; amd. Sec. 2, Ch. 203, L. 2005; amd. Sec. 2, Ch. 244, L. 2013.

**22-1-328. Statewide interlibrary resource-sharing program.** The commission shall establish a statewide interlibrary resource-sharing program. The purpose of the program is to administer funds appropriated by the legislature to support and facilitate resource-sharing among libraries in Montana, including but not limited to public libraries, public library districts, libraries operated by public schools or school districts, libraries operated by public colleges or universities, tribal libraries, libraries operated by public agencies for institutionalized persons, and libraries operated by nonprofit, private medical, educational, or research institutions.

**History:** En. Sec. 4, Ch. 670, L. 1989; amd. Sec. 1, Ch. 183, L. 1999; amd. Sec. 2, Ch. 47, L. 2009.

**22-1-331. Base grants.** The commission shall provide a base grant for each public library to support the cooperative activities and services of the six library federations in the state.

**History:** En. Sec. 7, Ch. 670, L. 1989.

**22-1-402. Library federations -- definition.** (1) A library federation is a combination of libraries serving a multicounty, multicity, or city-county area within a federation area designated by the state library commission. Any other public, school, special, college, or university library or town, city, or county within the federation area may participate in a federation.

(2) The governing body of any library may agree to participate in the federation. The participating entities may retain the autonomy over their respective libraries.

(3) The expense of providing library services for the library federation must be based on funds received from the state or participating libraries.

(4) A participating entity may withdraw from a federation according to the terms for withdrawal provided in the federation's bylaws.

(5) A federation may contract with other federations, libraries, or the state library to provide federation services.

**History:** En. Sec. 1, Ch. 132, L. 1939; amd. Sec. 2, Ch. 357, L. 1974; R.C.M. 1947, 44-212; amd. Sec. 1, Ch. 374, L. 1981; amd. Sec. 66, Ch. 387, L. 1995; amd. Sec. 3, Ch. 183, L. 1999; amd. Sec. 1, Ch. 80, L. 2001; amd. Sec. 3, Ch. 73, L. 2005.

**22-1-412. Purpose.** It is the purpose of [22-1-413](#) and this section to establish a program whereby state funds may be appropriated to the Montana state library commission to provide the benefits of quality public library service to all residents of Montana by developing and strengthening local public libraries through library federations as defined in [22-1-402](#).

**History:** En. 44-304 by Sec. 1, Ch. 416, L. 1975; R.C.M. 1947, 44-304; amd. Sec. 1, Ch. 373, L. 1981; amd. Sec. 119, Ch. 42, L. 1997.

**22-1-413. Administration by Montana state library commission.** The Montana state library commission must receive and shall administer the appropriation for state funding to public library federations. The commission shall allocate the appropriation among grant programs and shall allocate funds among federations according to formulas for distribution as the commission establishes in rules adopted pursuant to [22-1-103](#). Federations receiving state funds from the commission shall submit annual plans for the expenditure of state funds and report annually to the commission concerning the progress of the various projects for which state funding was received. The reports must contain an accounting for all state funds received.

**History:** En. 44-305 by Sec. 2, Ch. 416, L. 1975; R.C.M. 1947, 44-305; amd. Sec. 2, Ch. 373, L. 1981; amd. Sec. 5, Ch. 183, L. 1999; amd. Sec. 4, Ch. 80, L. 2001.

**15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter must, in accordance with the provisions of [17-2-124](#), be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under [17-6-203](#)(6) and invested by the board of investments as provided by law.

(2) The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in [17-7-205](#).

(3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in [23-1-102](#).

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) The amount of 5.8% through September 30, 2013, and beginning October 1, 2013, the amount of 2.9% must be credited to the coal natural resource account established in [90-6-1001](#)(2).

(8) After the allocations are made under subsections (2) through (7), \$250,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in [82-4-244](#).

(9) (a) Subject to subsection (9)(b), all other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state and is statutorily appropriated, as provided in [17-7-502](#), on July 1 each year to the trust fund for the public employees' retirement system defined benefit plan established pursuant to [19-3-103](#).

(b) The interest income of the coal severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in [17-7-502](#), on July 1 each year as follows:

(i) \$65,000 to the cooperative development center;

(ii) \$625,000 for the growth through agriculture program provided for in Title 90, chapter 9;

(iii) \$1.275 million to the research and commercialization state special revenue account created in [90-3-1002](#);

(iv) to the department of commerce:

(A) \$125,000 for a small business development center;

(B) \$50,000 for a small business innovative research program;

(C) \$425,000 for certified regional development corporations;

(D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman; and

(E) \$300,000 for export trade enhancement; and

(v) except as provided in subsection (9)(c), up to \$21 million to the public employees' retirement system defined benefit plan trust fund.

(c) If the legislative finance committee determines that the public employees' retirement board has failed to provide a sufficient report pursuant to [19-3-117](#), it shall recommend that \$5 million be subtracted from the amount allocated in subsection (9)(b)(v) subject to legislative approval.

#### 10.102.3604 ARBITRATION OF DISPUTES WITHIN FEDERATIONS

(1) (a) Any disagreement among participants in a library federation regarding the application for or apportionment or utilization of funds or grants received from the commission shall be referred in writing by any participating library or entity to the state librarian.

(b) The state librarian shall assign a member of the state library staff to investigate the disagreement and to prepare a staff report to the commission with a proposed decision.

(c) When the staff report and proposed decision are completed, copies shall be sent to the disputing participants in the federation and the matter placed on the agenda of the next commission meeting.

(d) The commission shall proceed to hear the parties and staff in accordance with the procedures set forth in ARM [10.101.206](#), and render a decision.

History: Sec. [22-1-103](#)(5) MCA; [IMP](#), [22-1-103](#)(5) MCA; [NEW](#), 1978 MAR p. 509, Eff. 4/25/78; [AMD](#), 1996 MAR p. 1374, Eff. 5/24/96.

#### 10.102.4001 RESOURCE SHARING

(1) The Commission has established a statewide interlibrary resource-sharing program (hereinafter resource-sharing program) to support and facilitate resource-sharing among libraries in Montana. The resource-sharing program consists of those library services provided to participating libraries pursuant to the Group Services Contract between the Montana State Library and OCLC Online Computer Library Center, Inc., and the services provided to participating libraries through the licensing and maintenance of the Montana Shared Catalog. Fifty percent of the funds appropriated by the Legislature for the resource-sharing program shall be allocated to pay a portion of the cost of the Group Services Contract between the Montana State Library and OCLC Online Computer Library Center, Inc. The remaining 50 percent of the funds appropriated by the Legislature for the resource-sharing program shall be allocated to pay a portion of the ongoing cost of licensing and maintaining the Montana Shared Catalog for participating libraries. The latter funds shall not be used for the purpose of offsetting the cost of adding new-member libraries to the Montana Shared Catalog.

History: [22-1-330](#), MCA; [IMP](#), [22-1-328](#), MCA; [NEW](#), 1989 MAR p. 1844, Eff. 11/10/89; [AMD](#), 1991 MAR p. 2604, Eff. 12/27/91; [AMD](#), 1998 MAR p. 3104, Eff. 11/20/98; [AMD](#), 2006 MAR p. 2405, Eff. 10/6/06; [AMD](#), 2010 MAR p. 1074, Eff. 4/30/10.

#### 10.102.4003 DIRECT STATE AID TO PUBLIC LIBRARIES FOR PER CAPITA AND FOR PER SQUARE MILE SERVED

(1) Definitions used in this section include:

(a) "Public library" means those libraries as defined in [22-1-303](#) through [22-1-317](#), MCA, and in Title 7, MCA.

(b) "Population" means those official, final figures from the most recent decennial census of population produced by the U.S. Bureau of the Census.

(c) "Leftover population" means the population count remaining in each county after the population counts of each municipality with library service are subtracted.

(d) "Additional population" means the population count which is to be credited to each public library based on the proportion of that municipality's population to the total population of the county.

(e) "Leftover square miles" means the number of square miles left in each county

after the square miles of each municipality with public library service are subtracted from the total number of square miles in the county.

(f) "Additional square miles" means the number of square miles credited to each public library, based on the proportion of that municipality's population to the total population of the county.

(2) The per capita portion of the direct state aid to public libraries will be distributed annually based on the following:

(a) In counties which have county-wide library service from one public library, or in which only one municipal public library exists, the most recent decennial census figure will be multiplied by the amount of state aid available per capita in each year.

(b) In each county with more than one municipal public library, the following procedure will be employed:

(i) The population counts of all municipalities with public libraries are added together and subtracted from the total county population resulting in the leftover population figure.

(ii) Each year all monies received by these libraries from the county commission are added together; each year each library's total is divided by the total amount received by all the libraries to determine the percentage of money given to each library by the county.

(iii) The leftover population figure is multiplied by the percentage of money each library receives from the county in order to determine the additional population figure which will be credited to each library.

(iv) The municipal population and additional population figures are added together to determine the total population which will be credited to each library.

(v) For each library the total population credited to each library is multiplied by the amount of per capita state aid available in each year to determine the total per capita support.

(vi) In the case of counties in which no county aid is provided to municipal libraries, the additional population credited to each library is based solely on the ratio of each municipal library's service area population to the total county population.

(vii) In the case of counties in which only one of two or several municipal libraries receives county aid, the library receiving county aid is credited with the entire county population exclusive of the population present in the service area populations of any other municipal libraries.

(viii) The population counts of legally annexed areas, as determined by the latest decennial U.S. census, will be credited to the municipality annexing the area the year following the annexation.

(3) The per square mile portion of the direct state aid to public libraries will be distributed annually based on the following:

(a) In counties which have county-wide library service from one public library, or in which only one municipal public library exists, the total square miles of each county will be multiplied by the amount of state aid available per square mile in each year.

(b) In each county with more than one municipal public library, the following procedure will be employed:

(i) The number of square miles of all municipalities with public libraries are added together and subtracted from the total number of square miles in the county to determine the leftover square miles.

(ii) The population counts of all municipalities with public libraries are added together, and each library's population is divided by the total county population to determine the percentage of the county population credited to each library.

(iii) The leftover square miles figure is multiplied by the percentage of the county population credited to each library in order to determine the additional square miles to be credited to each library.

(iv) Each municipality's square miles are added to their appropriate additional square miles to determine the total square miles credited to each library.

(v) For each library the total square miles credited to each library is multiplied by the amount of per square mile state aid available in each year to determine the total per capita support.

(4) In the case of library districts which are not defined by municipal or county boundaries, but by boundaries such as school districts, both the per capita and the per square mile state aid will be distributed using the appropriate boundaries and population figures as if they were municipal or county boundaries and counts.

(5) In each county which has no public libraries, the State Library will contact the county commission indicating that the county will qualify for per capita and per square mile state aid if the county commission establishes county-wide library service as provided for in state statute, or if the county commission contracts for library services with another county or municipal library as provided for in state statute. If such means are not established within a six-month period following written notice received from the State Library, the state aid which would have gone to the county will be allotted to the federation headquarters library in whose area this county is located for use in federation activities.

(6) For any questions arising because of this rule, the final arbiter is the State Library commission.

History: [22-1-330](#), MCA; [IMP](#), [22-1-327](#), MCA; [NEW](#), 1991 MAR p. 2604, Eff. 12/27/91.

#### **[10.102.5102](#) ALLOCATION OF FUNDING BETWEEN FEDERATIONS AND GRANT PROGRAMS**

(1) At its first meeting following receipt by the library commission of the estimate of the appropriation to public library federations the commission shall allocate all funds received to library federations according to the following formulas:

(a) Before funds are allocated among federations, the travel expenses for federation coordinators will be estimated and subtracted off the top of the funds federations receive. Each federation will receive travel funds for its coordinator. The remaining portion of the appropriation allocated to library federations shall be distributed among the six federations according to the following formula: 50 percent of the first \$250,000 shall be divided equally among the six federations and 50 percent shall be allocated on the basis of population within the six federations.

(b) Any appropriation in excess of \$250,000 shall be divided according to the following formula: 20 percent of the remainder shall be allocated equally among the six federations. 80 percent of the remainder shall be allocated among the six federations on the basis of population.

(2) The state library commission has the responsibility and authority to approve federation plans of service and to approve or deny funding for the components of the plans of service.

(a) A federation and individual member libraries of a federation may not receive a distribution of appropriated funds from the state library commission until the federation's annual plan of service for federation activities is approved by the commission.

(b) Following approval of a federation's plan of service, the state library commission, through the state library, will distribute appropriated funds to libraries that are members of the federation according to the federation's approved plan of service.

(c) The state library commission can disapprove a plan of service only because:

(i) it was not prepared according to the procedures and forms established by the state library commission; or

(ii) it does not address the authorized purposes and/or priorities as established by

the state library commission to implement its state long range plan for libraries.

(3) Each federation's annual plan of service shall be based upon direction given by the state library commission from its consideration of the state long range plan for libraries. The annual plan of service is submitted to the state library each spring for consideration and action by the state library commission. Changes or appeals related to the plans of service are acted upon by the state library commission in May and June of each year.

(4) Each federation member shall expend the federation funds according to the purposes stipulated in the federation's plan of service. Each member shall annually report how the funds were used for the stated purposes to the federation coordinator and a copy of the report will be provided to the state library commission. If the federation member does not use funds as set forth in the annual plan of service, the federation coordinator shall notify the state library commission within 30 days.

(5) If a federation member does not use funds in accordance with the proposals set forth in the annual plan of service, then the member will be notified by the state library commission and the member shall return the funds to the state library commission within 60 days. The state library commission shall revert such funds to the appropriate state account.

(6) Each federation shall ensure equal opportunity for representation of its member libraries and shall have approved bylaws that shall address approval procedures for the annual plan of service, proxy voting, quorum requirements and other procedural matters necessary for conducting federation business.

(7) An appeals process shall be available for any federation that is denied funding or for any member library that is required to revert funds. This appeals process shall follow the appeals process for denial of a grant as set forth in ARM [10.101.206](#).

History: [22-1-103](#), [22-1-413](#), MCA; IMP, [22-1-413](#), MCA; NEW, 1986 MAR p. 1506, Eff. 9/12/86; AMD, 1996 MAR p. 1374, Eff. 5/24/96; AMD, 2003 MAR p. 8, Eff. 1/17/03; AMD, 2004 MAR p. 1210, Eff. 5/21/04; AMD, 2010 MAR p. 1074, Eff. 4/30/10.

#### **10.102.5106 BASE GRANTS**

(1) The commission receives a legislative appropriation to fund the base grants. The total distribution per federation shall remain the same as in FY 1998 unless the legislative appropriation changes.

(2) After receiving recommendations from the advisory board, the federation shall distribute the base grants in two ways:

(a) The federation may use the grants to fund federation projects that maintain or improve cooperative library services and activities; or

(b) The federation may also allocate base grants to public libraries to support the cooperative activities and services of the federation.

(i) The federation shall direct these grants to meet the following objectives:

(A) to increase the amount and quality of unique library resources in the federation and state. Libraries may purchase library materials to accomplish goals established in the federation or state's collection development plan;

(B) to increase the online availability of local bibliographical information. Libraries may purchase subscriptions to bibliographic databases, add and maintain holdings in these databases, and purchase the necessary equipment and software;

(C) to increase the visibility of libraries in the federation or state. Libraries may use base grants to promote or market libraries through a group project involving more than one library in the federation;

(D) to increase the work-related knowledge, skills, and abilities of library staff and trustees. Libraries may use base grants to support education opportunities and to share this education with other federation members; or

(E) to support other objectives that enhance the cooperative activities and services of the federation.

History: [22-1-103](#), MCA; IMP, [22-1-103](#), [22-1-328](#), [22-1-330](#), [22-1-331](#), [22-1-402](#), [22-1-404](#), [22-1-413](#), MCA; NEW, 2000 MAR p. 2016, Eff. 7/28/00; AMD, 2010 MAR p. 1074, Eff. 4/30/10.