

## FAQ About County Library Funding to Libraries in Adjacent Counties

In April 2006, the legislature passed Senate Bill 272, which was signed into law as 2005 Act 420 by Governor Jim Doyle on May 19, 2006. Because of this law, libraries in adjacent counties - both within and across regional public library system borders (but excluding Milwaukee County) - may be paid for library use by residents of each of those counties who do not maintain a public library. Due to the passage of 2013 Act 157 (AB 288) in 2014, consolidated county public libraries now have the option to bill adjacent counties for library service to county residents without a municipal library (and the option to be billed).

Text of the [Wisconsin Statutes s. 43.12](#) county library funding law.

**How and when does our library seek payment?**

2005 Act 420 utilizes the same schedule and requirements that were established under 1997 Act 150 for payments to public libraries within counties. To receive payment by March 1st of the following year, a library must provide the following information to county clerks by July 1st:

the number of loans of library materials by the library during the prior calendar year to residents of an eligible adjacent county who are not residents of a library municipality,

the library's total number of all loans of material during the prior calendar year,

the total library operating expenditures (not including capital expenditures or expenditures of federal funds) for the prior calendar year.

From these the county clerk can determine the cost-per-loan and the amount to be paid to the library. Staff at the regional public library system may be able to facilitate this process. In some cases, new patron variables or residence fields may have to be established in the library's automation system in order to extract the relevant residency information.

It is essential that data be collected in a manner that can withstand scrutiny by the county. If your library has rigorous procedures for confirming the place of residence of each user and keeps an actual count of annual usage broken down by place of

residence, the county will probably have no problems accepting your data.

The statute provides that a county clerk may have access, upon request, to all books and records used to determine both the annual library material loans to county residents who do not maintain a public library and the total annual library material loans. However, the identity of individuals using the library is protected under Wisconsin Statutes s. 43.30.

Each year by July 1st a library must submit the appropriate information based on prior year activities in order to be paid by the county by the following March.

**Do libraries automatically get paid?**

No. Each year libraries must submit their request to the clerk of the adjacent county by July 1st for loans during the previous year to residents in eligible areas of the county. The county must then pay the library for at least 70% of the cost by March 1st of the following year.

**Library payments are based on a "loan" of a single item for use outside the library, but a library is less and less a lending institution and more a cultural center. Shouldn't a formula that compensates for all the library services be developed?**

The current non-resident payment formula estimates the cost of providing library service to county non-residents (those without a local library) based on the library's total operating expenditures. In other words, payment is based on the total cost of providing all library services. The amount of payment is calculated by using circulation statistics to determine the relative share of service being provided. A percentage of all circulation is to non-residents. That same percentage of the total operating budget is attributed to non-resident use, giving an actual dollar amount for payment. For example, if a library has an operating budget of \$100,000 and 20% of all circulation is to its county's non-residents, the library can request \$20,000 for reimbursement. Statutes direct that the county pay at least 70% of the calculated payment amount. In this example, the county is required to pay at least \$14,000, but the county can pay any amount above that level.

Although the terminology in the payment statutes (s.43.12) uses "number of loans" to determine the amount, it is actually the library's total operating cost necessary to provide all services

(including the physical loaning of materials) that is being paid. We regret that the bill drafters used the language now in statute instead of referring to the ratio of non-resident to total library use based on the loan of library materials. In reality, while "number of loans" has unfortunately become the focus, if the total cost of operation and ratio of non-resident to total circulation stayed the same, library circulation could fall by 50% and the county payment to the library would not change.

The current payment system was selected because it uses readily available data (circulation statistics for both residents and nonresidents, and total library operating costs) to pay the library for all its costs of serving non-residents. Library circulation and use by non-residents have been collected and tracked by libraries for more than a century. Other types of usage are not collected consistently or reliably throughout the state. To change, the library community would need to agree on some other service measure(s) and agree to a methodology to collect data for the measure(s), probably by resident and nonresident users. Then, state statutes would be needed to implement the change. Also, other changes may run afoul of library privacy law (s. 43.30). It's difficult to imagine everyone who uses the library having to present a library card for all services. Until it can be demonstrated that other use of the library, whether programs or computer resources, is used on a higher relative basis than circulation, the library community is best served using measures and methods that can withstand scrutiny.

At present, the funding levels are primarily left to the local and county funding bodies to decide. It is ultimately the success of local library boards and of the users of public libraries in getting adequate funding from municipal and county sources that matters most.

**How do we track the use?**

Shared ILS consortia should make certain that circulation reports can be generated for member libraries to establish patron use in adjacent counties so that residents of municipalities that do not maintain a public library can be distinguished from those that

do. Libraries with stand-alone ILS systems should establish procedures to track the loan of materials to library users in such a way as to be able to determine the total loans each year to residents of individual municipalities. The total number of loans for the prior year to residents of areas without direct library service should be submitted to the county clerk by July 1st of each year, along with the total cost of library operations for the previous year and the total circulation for the library.

**Will we be paid by all adjacent counties?**

Not necessarily. Counties with a consolidated library service were specifically exempt from being billed in the past. However, with the passage of Act 157 (AB 288) in March of 2014, consolidated county libraries are now able to bill adjacent counties for service provided to their residents without a municipal library - see [Summary of 2013 Wisconsin Act 157 \(AB 288\)](#). There are other counties that have a large number of municipal libraries (city, village, tribal, or joint libraries) encompassing most of the area of the county, so there may be very few eligible areas in that county. The county is only required to pay for use by their county residents who do not maintain a public library.

**What is an "adjacent county?"**

A county is considered adjacent if it shares a border, even at a single point, with your county.

**Can we establish what areas of the adjacent county are eligible for payment by requesting a list of municipalities that are subject to the county library tax?**

Not necessarily. Municipalities with public libraries are not required to request exemption from the county library tax under s. 43.64(2)(b). Loans to their residents would not be eligible for county payments even though their property is subject to the county library tax.

**The municipalities in our joint library have property that spans over three counties. Is our library eligible for payment by any county adjacent to any of those three counties?**

Yes. So long as one of the municipalities has a border extending into another county, any counties adjacent would be subject to payment, assuming eligible residents from those counties use your library.

**Are counties that have a joint city-county structure required to make payments to libraries?**

Yes. In a joint city-county structure, only the residents of the city that is part of the joint city-county agreement are considered exempt from county payments under s. 43.12. This is because counties are not defined as "municipalities" and because there is not a single tax rate across the entire county. Those people living in the city are taxed by their municipality for support; the rest of the library support comes from the county.

**Do we have to subtract 500 loans from the total for each eligible municipal area?**

No. That provision is related to the threshold at which a library can refuse to serve residents of an adjacent library system under s. 43.17(10) & (11).

**Can counties refuse to pay?**

No. The payment for library service is required in the statutes. While no specific penalty is incorporated in the statute, a county that fails to reimburse when properly notified could be sued by the library seeking payment.

**Can our library be paid by other cities, villages, or towns in adjacent counties that have libraries?**

Yes, although those municipalities are not required to do so.

**Are the payments to public libraries subject to levy limits?**

The amount that a county levies to make payments to public libraries under s. 43.12 is exempt from county levy limits. See Wisconsin Statutes s. 66.0602(3)(e)(4).

**I have other questions. Who do I contact?**

Contact your library system for specific questions about your library's situation. More general questions can be directed to [Shannon Schultz](#), Public Library Administration Consultant, DPI, (608) 266-7270.