

Staffeldt, Darlene

From: Cooper, Bob
Sent: Monday, April 29, 2002 5:16 PM
To: Staffeldt, Darlene
Subject: MACO, Big Bill, library levies info

I had a conversation with Gordon and Harold at MACO today discussing the impact of the Big Bill on library levies. Here are the major points I think I understood to be the responses I received to my questions.

The Big Bill spawned 15-10-420 MCA which is the significant element as far as levy calculation is concerned. The Local Government Budget Act is a separate issue which does impact the levy calculation process.

The Big Bill took effect on October 1, 2001. Library levies in existence at this time were computed for FY02 budgets in accord with the levy calculation form available on MACO's Website. (I have studied upon this form and do not pretend to understand it.) The form needs to be updated for computing FY03 budgets because the adjustment factor has changed from 1.28 for FY02 to 1.27 for FY03.

Levies that were voted into being in 2001 or after for which monies were not collected in 2001, were rightfully not included in the original base entitlement computation.

As we were previously aware, the amount of money produced by the FY 2001 mill levy must be maintained in FY 2002. This means that if 1 mill provided the library \$10,000 in FY 2001, it might be necessary in FY 2002 to have 1.02 mills or some other figure levied in order to provide the library that same \$10,000 amount (plus the inflation adjustment).

However, for the budget years that additional levies do take effect and their monies will be collected, these "new" levies must be added to the base amount for the first budget year they take effect at the number of mills called for in the levy. Thus, let us say a library previously had a FY 2001 5 mill levy in effect providing the library a base entitlement of \$50,000. Assume that in the budget year the new levy will take effect, it will take 5.11 mills (for demonstration purposes) to raise that same \$50,000. If the newly voted levy was two additional mills, these mills would be added to that year's entitlement at the flat mill rate, not at the value adjusted rate of the pre-existing five mill levy. The total mills levied that year would be 7.11 mills plus the inflationary adjustment. The amount the library received from the value adjusted mills and the fixed mills from the new levy would then become the entitlement amount for future years for the duration approved by the voters when the levy was established.

I am not 100% sure that last sentence is stated accurately. We need to check into this further.

Bob

Bob Cooper
Statewide Technology Librarian
Montana State Library
PO BOX 201800 (1515 East 6th Avenue)
HELENA MT 59620-1800
Voice: 406-444-5431 or 1-800-338-5087 (in Montana)