

RE: [External]Re: [External]Fw: question about permanent mill levies

Nathan Bilyeu <nbilyeu@jmgattorneys.com>

Tue 12/19/2023 2:52 PM

To: Cook, Tracy <TCook2@mt.gov>

Tracy,

So the permanent levy which had been levied by the County would expire if the County no longer owned and managed the library, unless any portion of it is being used to pay debt service on a county bond issued to fund library improvements—in that case then Section 22-1-705(1)(b), MCA, would leave in place any levy being levied to fund debt service on the bond while it is outstanding. This is because Section 22-1-304, MCA, only confers the authority to levy the library mill levy on counties that have a public library, thus once the library ceases to be a “county library” the county loses the statutory authority to levy the mills.

Moreover, a practical reason that the prior levy would need to dissolve is that money levied for a county public library can only be managed and spent by the appointed Board of Trustees, pursuant to Section 22-1-304(4), MCA. However, that prior appointed library Board would be dissolved and a new District Board would sit to govern the management of the new Library District.

Let me know if there are any follow-up questions.

Best regards,

*Nathan Bilyeu
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From: Cook, Tracy <TCook2@mt.gov>
Sent: Wednesday, December 13, 2023 8:11 AM
To: Nathan Bilyeu <nbilyeu@jmgattorneys.com>
Subject: Re: [External]Re: [External]Fw: question about permanent mill levies

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Hi Nathan,

This library is in the beginning phases of trying to become an independent library district, so we haven't found a definitive answer to the permanent mill levy question. We'd love to hear your thoughts if you have time.

-Thanks!
Tracy

From: Nathan Bilyeu <nbilyeu@jmgattorneys.com>
Sent: Tuesday, December 12, 2023 2:51 PM
To: Cook, Tracy <TCook2@mt.gov>
Subject: RE: [External]Re: [External]Fw: question about permanent mill levies

Tracy,

Sorry for the significant delay. Our firm's IT vendor was doing a review of our email security protocols and provided a summary of emails that were screened in our security software. So I'm seeing this now and just wanted to follow up to see if your question is still outstanding or if you've already answered it?

I am happy to provide my thoughts if the question is still outstanding. Again, sorry for the delay!!

Best regards,

*Nathan Bilyeu
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From: Cook, Tracy <TCook2@mt.gov>
Sent: Monday, November 13, 2023 3:05 PM
To: Nathan Bilyeu <nbilyeu@jmgattorneys.com>
Subject: Fw: [External]Re: [External]Fw: question about permanent mill levies

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Hi Nate,

Nancy Iverson from MACo shared your contact information with me. I have been having an email conversation with her about permanent mill levies. Our conversation is below. She thought you might have some expertise in this area and could perhaps give guidance on what

happens to a permanent mill levy for a county library when that library becomes an independent library district.

May I share your contact information with the library that wants to become a district? I realize this is your line of work and don't want to ask you to give me information that might require legal research. I also don't want to put you on the spot if the question below isn't in your area of expertise.

Of course - if you feel comfortable answering the question about what happens to a permanent mill levy - please feel free. However, I'm also perfectly fine giving your contact information to the library for them to follow up once they begin the process of attempting to become a library district.

-Thanks,
Tracy

Tracy Cook, Lead Consulting & Learning Librarian



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Sent: Monday, November 13, 2023 10:09 AM

To: Cook, Tracy <TCook2@mt.gov>

Subject: RE: [External]Fw: question about permanent mill levies

Tracy- I agree with you that the mills would go away. By taking action to create a new district seems to eliminate any mill levy authority that existed- since the library no longer would exist in the same form as it did. And a new levy vote would be required. But that is my accountant hat talking and as my county attorney used to like to remind me- I am not an attorney.

I think Nathan Bilyeu with Jackson Murdo and Grant here in Helena- he has taken over for Bob Murdo- has really great experience with special districts and local government. I would consult him if I was looking for an attorney in this situation. Unless there is a county attorney working on it?

I can get you Nate's info if you want.

Thanks!

Nancy Everson
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From: Cook, Tracy <TCook2@mt.gov>
Sent: Thursday, November 9, 2023 10:39 AM
To: Erickson, Darla <DErickson@mt.gov>
Subject: question about permanent mill levies

Hi Darla,

I'm not sure who is the best person to ask this question. If you have any advice on where I should start, I would be grateful.

I'm working with a library that currently receives a small dedicated levy. The residents voted to give the library 2 mills back in 1996. The library is seriously exploring the idea of becoming an independent library district. They are a county library - no other libraries in the county. All of us (myself included) think the voted levy would go away if they became a district. As part of the vote to become a district, the residents would be voting on mills in addition to the creation of the district. There are a lot of steps in the process but if everything is successful the county library would cease to exist. It makes sense to us that once the county library no longer exists their dedicated library mills would also cease to be collected. However, we can't find anything in the law that tells us if that is true and if it is how it is managed.

The other libraries that became districts had general fund mills or were part of a county system, so I have no example to refer to when researching this question. Do you know the answer? Or do you have a recommendation for someone I can talk to about this question?

-Thanks,
Tracy

Tracy Cook, Lead Consulting & Learning Librarian



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