



LIBRARY BOARD

AGENDA SECTION	NEW BUSINESS
MEETING DATE	MARCH 2, 2022

ITEM:	Consider eliminating the rental fee for new DVDs effective April 1, 2022.	
DEPARTMENT:	Library	BY/DATE: Renee Dougherty/February 25, 2022

BACKGROUND:

The Columbia Heights and Anoka County Libraries have been charging a \$1 rental fee to borrow a DVD less than one year old. After the first year, the DVD is reclassified as a free borrow. The rental fee is considered a sale under Minnesota tax law and taxes are calculated and paid on rental fees and any overdue fines incurred on fee-DVD checkouts. The Anoka County Library will be discontinuing the rental fee on new DVDs for the following reasons:

- Fees collected for rental DVDs have been in decline over the last four years. ACL rental revenue has declined from \$24,512 in 2018 to \$7,067 in 2021. (Columbia Heights DVD rental revenue declined from \$1,319 in 2017 to \$331 in 2021.)
- There are hidden costs in the accounting necessary to calculate and submit taxes, staff labor to re-label and reclassify videos after one year, in addition to the sales tax paid to the state, which reduce the actual revenue netted from a \$1 rental fee.
- Charging rental fees to borrow physical DVDs is not consistent or fair when library cardholders can stream films digitally on Kanopy at no cost.
- County research indicates that circulation of DVDs increases when rental fees are removed.
- The cost of acquiring DVDs has decreased significantly since they were added to the collection and the rental fees were envisioned as a way to increase funds to build the video collection.

RECOMMENDED MOTION(S):

MOTION: Recommend that the Library Board approve the elimination of rental fees for all DVDs effective April 1, 2022.

MOTION: Recommend that the City Council amend the City Fee Schedule to reflect the elimination of the Library rental fee for all DVDs.

ATTACHMENT(S):