§ 254. Standards of library service. The regents shall have power to fix standards of library service for every free association, public and hospital library or, with the advice of the appropriate tribal government and library board of trustees, Indian library which receives any portion of the moneys appropriated by the state to aid such libraries, or which is supported in whole or in part by tax levied by any municipality or district. In the case of a hospital library or a library serving a hospital, such standards shall be established in consultation with the commissioner of health. If any such library shall fail to comply with the regents requirements, such library shall not receive any portion of the moneys appropriated by the state for free, hospital or Indian libraries nor shall any tax be levied by any municipality or district for the support in whole or in part of such library.