

March 13, 2023

TO: Senate Committee on Assessment and Taxation
Sen. Caryn Tyson, Chair
Sen. Virgil Peck, Vice Chair
Sen. Tom Holland, Ranking Minority Member
Sen. Molly Baumgardner, Member
Sen. Chase Blasi, Member
Sen. J.R. Claeys, Member
Sen. Ethan Corson, Member
Sen. Renee Erickson, Member
Sen. Dan Kerschen, Member
Sen. Mike Petersen, Member
Sen. Usha Reddi, Member

FROM: Ray C. Walling, State Librarian

RE: HB2176 Neutral Testimony (written-only)

The State Library submits the following neutral written testimony to the Senate Committee on Assessment and Taxation regarding HB2176. Since sections 7(g) and 15(g) of the bill would prohibit the South Central Kansas Library System ("SCKLS") from levying a tax on land within each newly established library district, the agency is providing background information regarding the regional system of cooperating libraries' ("system") structure and the ways in which the proposed legislation would change the symbiotic relationship of this structure. The testimony concludes with considering the concept of manifest harm regarding the pending legislation and potential future legislation.

The concept of regional systems of cooperating libraries was enacted into state law in 1965. Under K.S.A. 75-2549, local library boards could petition the state board to establish a system with the purpose to improve existing library services and extend library services to those without service. A taxing district was established for each system, with a provision that territory already being taxed at .25 mill or more to support a library could be excluded from the system taxing district. This allowed each system to tax Kansans not already being taxed for library services. In return for their taxes, these Kansans were permitted to use the resources and services provided by their local library. Further, these Kansans were permitted free access to any participating library in the system, allowing them to use the most convenient library or the library with the most appropriate services and resources for their needs. Kansans already being taxed for library services could be excluded from the system taxing district in return for permitting all residents within the system territory to use their local library's services at no cost. This is how libraries were able to extend library services to those not having them currently in their surrounding communities.

Revenue generated from the system taxing district is used to fund grants and services that are reinvested into participating libraries, which in turn strengthens local library operations and improves existing library services throughout the system. For example, each system hires consultants with specialized training and knowledge in a variety of areas, including human resources, finances, fundraising, professional development, outreach, children & youth services, automation, interlibrary loan, and information technology. While many libraries in our state cannot afford hiring permanent employees with expertise in all the areas needed to operate a modern library, system consultants provide an efficient way to share expertise with and support the operations of participating libraries. A copy of the Arkansas City Public Library's petition requesting the creation of SCKLS is attached to this testimony to provide further contextual information regarding the creation of the system.

The legislation before you requests exceptions be made that change the symbiotic relationship established through the system structure. Both bills seek to enlarge the respective library's taxing district at the expense of the SCKLS taxing district. Not only would this have financial consequences for the SCKLS, but also the services the SCKLS provides to its participating libraries. At the same time, it is our understanding that both libraries intend to remain participating libraries in the SCKLS. Essentially, they would continue to benefit from the services provided by the SCKLS while their surrounding communities would no longer contribute directly to the SCKLS operations.

Currently, the State Library of Kansas Board has the authority to approve the exclusion of a library taxing district from a system taxing district, so long as it does not do manifest harm to the system. We believe this same consideration should be applied when considering requests for expanding library taxing districts. Further, there is a concern that other municipalities might seek exceptions in similar situations that could cause manifest harm to a system based on (1) a significant loss of tax revenue from the district in relation to the overall tax revenue of the system and/or (2) the continued deterioration of the system taxing base from additional libraries enlarging their taxing districts.

At the same time, we recognize the challenges that our libraries face and the importance of local revenue to ensuring their ability to survive and thrive. The library staff and boards for each library deserve recognition for their continued efforts to improve the resources and services they make available to their communities. Community leaders deserve acknowledgement for recognizing the value libraries provide to the development of their municipalities and their efforts to increase funding to their libraries.

Based on these conflicting interests, the State Library provides this testimony as a neutral party.

Resolution of Intent to Participate in Regional System of Cooperating Libraries.
Area #5 South-Central Kansas

At the regular monthly meeting of the Arkansas City Public Library
Board of Trustees on 5/21/11, the Board adopted the following:

Whereas, The Arkansas City Public Library Board believes that all
citizens of Kansas are entitled to the best possible access to
public library service and materials and,

Whereas, said Board recognizes the need for cooperation among libraries to
improve standards of service among existing libraries and,

Whereas, said Board recognizes the total lack of library service to persons
living outside the present library districts, and,

Whereas, said Board believes that better library service for all can best be
achieved by cooperating libraries serving all,

Therefore: Upon a motion duly made, seconded and unanimously adopted,

It Was Resolved,

That the Board of Trustees of the Arkansas City Public
Library issue this resolution of intent to participate, along
with such other libraries in Area #5 as may wish to participate
in a Regional System of Libraries as provided by law, 75-2547,
and,

Further Resolved,

That it be a party to petition the state commission for establish-
ment of a regional system of cooperating libraries, and,

Further Resolved,

That it be a party to a request for monies to be used to continue
the present program until tax monies become available; such a
grant would be made by the State Library Commission.

Further Resolved,

That it continue the necessary local tax support appropriate to
the operation of the Arkansas City Public Library.

The Edna King Lee
Secretary, Board of Trustees

[Signature]
Chairman, Board of Trustees