

SESSION OF 2023

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2176

As Amended by House Committee on Taxation

Brief*

HB 2176, as amended, would create the Arkansas City Area Public Library District Act and the Udall Area Public Library District Act (Acts). The Acts would be identical except for references to the cities of Arkansas City and Udall and references to USD 470 (Arkansas City) and USD 463 (Udall). The bill would also make conforming amendments to a statute defining “local public libraries.”

Creation of Library Districts

The Acts would authorize the Boards of Trustees of existing public libraries in the cities of Arkansas City and Udall to adopt resolutions submitting to voters the question of creating a library district and a proposed tax levy amount. The library district territory would be the territory within the boundaries of the relevant school district.

Upon a majority of qualified electors of the proposed library districts voting in favor of the proposed library district, the district would be established and all contracts, bonds, debts, and other obligations of the existing public libraries would transfer to the new district, except for debts related to the ownership of real estate of the library, which would remain an obligation of the city.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Governance of Library Districts

Library districts under the Acts would be governed by seven member Boards of Trustees. Four members would be appointed by the governing body of the relevant city with one such member residing outside the city and three members would be appointed by the relevant Board of Education and would be required to live outside the city. The members would be appointed to terms of four years and until successors are appointed and qualified. Members would be eligible for reappointment, but could not serve more than two consecutive terms without one year of non-service following the second consecutive term. Members would receive no compensation, but would be permitted to be paid actual expenses associated with their duties.

Boards of Trustees would be required to annually elect a chairperson, secretary, and treasurer and other officers deemed necessary by the Board. Regular meetings of the Board would be fixed by the Board, and limited special meetings could be called by the Chairperson or a majority of the members of the Board. The Board Treasurer would be required to give bond in an amount set by the Board and pay out funds on orders of the Board signed by the Chairperson and Secretary. County Treasurers would be required to remit funds collected for the Library District Board to the Board Treasurer.

Boards of Trustees would be required to annually adopt a budget for the library following notice and a hearing concerning the budget. The budget would be required to state the amount of tax to be collected, which would be levied on behalf of the library district by the relevant Board of Education. The tax levy could be required to be submitted to an election upon the filing of a petition signed by at least five percent of the qualified voters in the tax district. The proceeds of the tax would be prohibited from supporting a regional system of cooperating libraries.

Operation of Libraries

The bill would require the library to be free for the use of residents of the library district, subject to rules adopted by the Board of Trustees. The library would be permitted to charge nonresidents a fee for the use of the library.

The Board of Trustees would be authorized to exercise the usual powers of a corporation for public purposes. Specifically, the Board would be authorized to make appropriate rules for the administration of the library; purchase or lease real estate for the library; acquire library materials; employ a librarian and other employees; establish a traveling library; contract with other libraries; receive gifts, grants, and tax proceeds; and make annual reports to the State Librarian and the school board.

Background

The House Committee on Taxation inserted the contents of HB 2205 into HB 2176 while retaining the contents of HB 2176. Background information for each bill may be found below.

HB 2176

The bill was introduced by Representatives Rhiley and Roth.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by representatives of the Arkansas City Public Library and USD 470. Proponents generally stated the bill would allow the library to receive additional tax proceeds, which would exceed the amount provided for in the city's charter ordinance.

Written-only proponent testimony was provided by representatives of the Arkansas City Public Library and four private citizens.

Written-only neutral testimony was provided by the State Librarian of Kansas and a representative of the South Central Kansas Library System.

HB 2205

The bill was introduced by Representatives Rhiley and Roth.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by a representative of the Udall Public Library, stating the bill would better align the library's taxing district with its patron base and allow the library to provide more services while levying a lower tax rate.

Written-only proponent testimony was provided by a representative of the Udall Public Library and a private citizen.

Written-only neutral testimony was provided by the State Librarian of Kansas and a representative of the South Central Kansas Library System.

Fiscal Information

According to the fiscal notes prepared by the Division of the Budget on the bills, the bills would have a negligible state fiscal effect. Enactment of the bills could have a local fiscal effect in Cowley County attributable to the costs of special elections to establish the libraries and the change in taxing districts and tax levies associated with the libraries. Each special election is anticipated to cost between \$10,000 and

\$15,000. Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Public libraries; Arkansas City; Udall