

February 3, 2023

TO: House Committee on Taxation
Rep. Adam Smith, Chair
Rep. Brian Bergkamp, Vice Chair
Rep. Tom Sawyer, Ranking Minority Member
Rep. John Alcala, Member
Rep. Francis Awerkamp, Member
Rep. Ron Bryce, Member
Rep. David Buehler, Member
Rep. Nathan Butler, Member
Rep. Ken Corbet, Member
Rep. John Eplee, Member
Rep. Shannon Francis, Member
Rep. Christina Haswood, Member
Rep. Henry Helgerson, Member
Rep. Nick Hoheisel, Member
Rep. Tom Kessler, Member
Rep. Dennis Miller, Member
Rep. Samantha Poetter Parshall, Member
Rep. Clarke Sanders, Member
Rep. Stephanie Sawyer Clayton, Member
Rep. Jerry Stogsdill, Member
Rep. Mike Thompson, Member
Rep. Carl Turner, Member
Rep. Barb Wasinger, Member

FROM: Ray C. Walling, State Librarian

RE: HB2176 and HB2205

The State Library submits the following neutral written testimony to the House Committee on Taxation regarding HB2176 and HB2205. Since each 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 libraries participating in the system. Territory 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 library 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. 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 SCKLS revenue while their surrounding communities contribute less funding for the SCKLS.

It is also important to recognize that while the solution proposed by this legislation is similar, the purposes behind the bills are different. In Udall's case, the library's expressed desire is to spread the cost of the library among a larger taxing district without a significant increase in revenue. In Arkansas City's case, the library's expressed desire is to increase revenue for the library. Although there might be some desire to combine the bills, considering the bills separately would provide clarity to libraries and municipalities when considering requesting exceptions of the legislature in the future.

Currently, the State Library of Kansas Board has the authority to approve the exclusion of library taxing districts 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) the specific system that would be impacted and/or (2) the continued deterioration of the system taxing base from increasing exceptions made by the legislature.

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 this conflict of interest, 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 5/21/68, 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 establishment 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.

Theodore K. L. L. L.
Secretary, Board of Trustees

[Signature]
Chairman, Board of Trustees