

M E M O

Date: August 31, 2012

To: Chair Linda Ishem and Members of the Board

From: Neel Parikh, Executive Director

Subject: 2012/13 Legislative Matters: Update

Junior Taxing District Study: Legislation passed in the 2012 budget included appointment of a committee to study independent junior taxing districts. Katrina Asay, Representative and former Mayor of Milton, is serving on that committee. I had a conversation with Rep. Asay to learn about the major goals for the committee's work. The work appears to be divided into two categories:

1. Do we still need all these independent taxing districts? There are a large number of districts, including very small districts such as Irrigation. Questions to look at are whether the districts are overlapping, are they taxing people twice for the same service and how do they relate to each other. They are also needing to look at which has priority and if adjustments need to be made.
2. What kind of revenues do different districts have? This seems to be focused on whether or not districts could be going bankrupt, but also appears to be interested in adequate revenues to operate them.

The committee has had only two meetings. It was Rep. Asay's understanding that a letter would be sent out to all the districts asking about ways that the law could be improved. We have not received such a letter.

The Washington Library Association lobbyist and Legislative Committee Chair are closely watching this activity. Rep. Asay said she would call me if she had any questions or if anything comes up regarding libraries.

Municipal Metropolitan Library Districts: The City of Spokane is interested in amending the existing library district law to allow cities to create Metropolitan Library Districts. Rep. Ethan Moreno has agreed to sponsor this legislation. The legislation is in the process of being written. It is being reviewed by library district Directors and Washington Library Association. It would revise the existing library district law to add this new kind of library district. The one thing that would be different about this district is that city residents could vote for a higher level of service than 50¢ per \$1,000, allowing an additional 25¢ per \$1,000. This does not exist for any other library district. Attached for your information is a summary of the intent behind the legislation

I will keep you up to date regarding these matters.

City of Spokane
2012 Legislative Agenda
Municipal Library District

Current WA state law provides various ways that public library districts can be formed but none of them apply to individual cities. City libraries are general fund departments that are in direct competition with police, fire and streets for shrinking revenue. Cities are not mandated to provide library service so funding has been unstable. The City of Spokane is seeking a change to RCW 27.12 that would give cities the same ability to form library districts that counties already have. A new municipal library district would be entitled to collect 50 cents per thousand of assessed valuation plus an additional voted amount up to 25 cents per thousand.

Citizens continue to indicate in surveys that they greatly value library services and they expect government to continue to provide high quality libraries. Yet when asked to prioritize city services, public safety and streets are their highest priorities. That leaves cities in the difficult position of needing to cut funding to libraries in order to provide adequate police, fire and streets.

Library districts in Washington have seen more stable funding over many years and they have the authority to go directly to the voters to determine the level of funding citizens are willing to provide for library services. Washington citizens have shown a willingness to support library districts and in August 2010, at the height of the recession, 7 library districts in Washington asked the voters for levy lid lifts and all 7 of them passed.

This legislation would have no immediate budget implication since the proposal simply changes the state law to allow cities the flexibility to form a district and it would be up to each city and its citizens whether they wish to do so. When a city is part of a library district it loses 50 cents per thousand of its property tax capacity. A city's capacity is currently \$3.60 and it drops to \$3.10 if the city is in a library district. This legislation would allow cities to ask voters to indicate what level of library service they want the city to provide. Many city residents want a higher level of service than the 50 cents per thousand that is currently available to library districts and this would give them the tool to determine whether they want to support their library at a higher rate up to an additional 25 cents per thousand. The additional 25 cents would have a lower priority on the prorationing list.

An independent library district has a direct relationship with the tax payer to determine the appropriate level of funding for library services. This legislation would give cities the same opportunity that counties already have to form an independent library district.

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