Summary of Gallagher amendment and libraries
May 15, 2018

SAMPLE LETTER FOR STATE HOUSE & SENATE MEMBERS (courtesy of Sarah Landeryou, Wilkinson Public Library, Telluride).

If using this model, feel free to elaborate with additional information about requested actions, examples of benefits of the library to residents, what would be lost/changed if revenue losses continue, etc.

[LIBRARY LETTERHEAD]

Sen. NAME(S) and Rep. NAME(S)

Please consider freezing the Residential Assessment Rate at 7.2% as part of the legislative action on fixing the Gallagher Amendment. The 2017 readjustment of the RAR as part of the Gallagher Amendment negatively impacted our Library District with a loss of revenue. We are looking at a potential loss of $[AMOUNT] to our budget in 2020 if the RAR is set to 6.2% and corresponding loss of library service and resources for the community we serve. With the Gallagher Amendment our revenue is dropping while demand for services is increasing.

There are several issues with the Gallagher Amendment that unfairly impact special districts outside of the Front Range. First, our commercial to residential rates are not 55/45, even though that is how the formula is developed; and we are not experiencing the rapid growth and increase in property values that the Front Range is experiencing.

While our library district provides basic services like literacy, adult programming, and information for the citizens, we are not the only special district affected by the negative results of the Gallagher Amendment. Our Fire District, School, and Transportation districts are also feeling the adverse results and are facing considerable cuts at a time when they should be preparing for growth.

We realize that amendments are difficult to change, but we hope that you are up for the challenge of bringing about better solutions, not only for your direct constituents, but for the everyone in Colorado. We fear that communities across the state will be losing out on opportunities that our citizens deserve - all because of an amendment that no longer makes sense.

Thank you for your time, [LIBRARY NAME] Board of Trustees and Library Director

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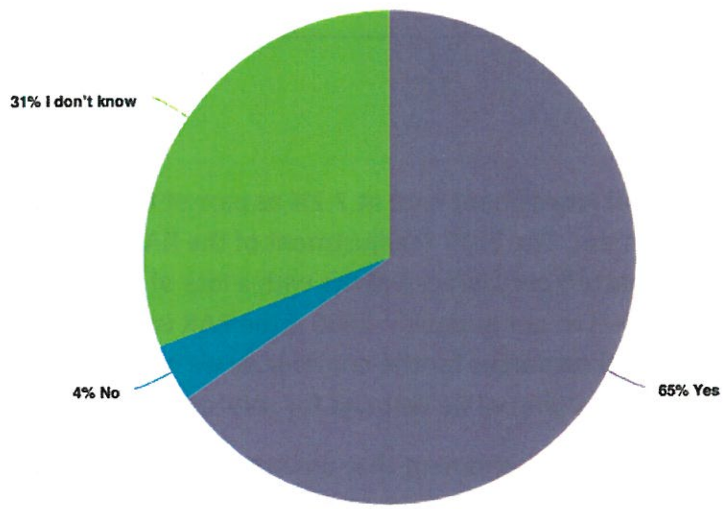
Preliminary impact survey results (26 reporting)

2. Has the Gallagher Amendment impacted your library's revenue?



Our total County mil was $951,090, in 2016 it went down $14,993 to 936,157 in 2017, it went down $51,243 in 2018 to 884,914. If it goes down the 15% as predicted we will lose another $132,737 to 752,177. With a 1.3 million overall budget in 2016 it means over a 26% drop in revenue since 2016. The estimated budget revenue will be 1.1 million while the inflation rate for expenses has gone up 11% per year here. If we don't stop this reduction in value it will close 3 out of 5 libraries, affecting at least half of our population.

Since I first started working for our library district that has 2 branches in 2008, our budget has decreased from $136,000 to $98,000 in 2018. We have seen a decrease of $38,000 in 10 years.

Our financial situation is not as bad as it is for other districts, but we are still feeling the effects of the Gallagher Amendment. In preparing the 2018 Budget we had anticipated higher revenues - as there was considerable growth in the local community, but the revenues did not match that growth. Our library district lost about $100,000 in revenues due to the reduction in the RAR, BUT we still did have an increase of about two and a half percent overall in tax revenues because of the growth. We anticipate it getting MUCH WORSE for 2020 as growth settles, seeing up to a $150,000 - $200,000 loss in revenue. That concerns us very much.

With the reduction in revenue due to Gallagher along with the increase in minimum wage it has become difficult to maintain our normal library activities. One thing we have done to compensate is reduce the hours we are open.

The actual impact of Gallagher and its interaction with TABOR is not simple to calculate. What is shown above shows the actual decrease in revenue in 2018 due to the most recent decrease in the residential assessment ratio from 7.96% to 7.20%.