

STATEMENT TO  
**SENATE, No. 2070**

with Senate Floor Amendments  
(Proposed by Senator SACCO)

ADOPTED: JUNE 28, 2010

This bill would require a municipal free library to transfer any undesignated general fund balance that exceeds 20% of its audited operating expenditures for the previous year to the municipality that established the municipal free library for its general purposes, which may include property tax relief. For example, if the audited operating expenditures for the previous year were \$100,000, then after allowing \$100,000 for current year operating expenses plus \$20,000 for surplus, any additional library funds would be transferred to the municipality. Under the bill as introduced, this transferred amount would be an exclusion that is added to the adjusted tax levy when calculating the municipality's property tax levy cap. Treating the transferred amount as an exclusion only makes sense when that amount is used solely for property tax relief, however, the bill permits the transferred funds to be used for general municipal purposes.

These floor amendments remove that tax levy cap exclusion for transferred library funds, effectively treating these funds as miscellaneous revenues to the municipality that have no effect on the tax levy cap.