

In one example, the Peter White Public Library in Marquette, Michigan has been living with the harmful effects of dark store tax appeals since 2015. Since that time, the library's budget has been significantly impacted by the loss of revenues resulting from the tax tribunal settlements, with refunds totaling over \$206,000 in tax tribunal appeals. The initial settlements had such a severe impact that the library had to close on Sundays, costing patrons a full day of service. This yearly loss amounts to approximately \$37,500 in tax funds, resulting in a further reduction of the range of quality services that the library can provide. Eight years later, the library remains closed on Sundays due to budgetary constraints associated with the 2015 tax appeal. With sharp cuts to funding due to dark store tax appeals, public libraries simply cannot provide the same level of exceptional services which will result in a dwindled return for taxpayers.

The Michigan Library Association is strongly focused on protecting funding for our public libraries which are generally funded through three primary sources of revenue: millages, penal fines, and state aid. While millages generally make up the largest percentage of a local library's budget, local property taxes are critical sources of funds that contribute to the important work that libraries perform. Diverting critical operating funds away from our public libraries by big box retailers who, through a loophole in the tax laws are able to reduce their tax burden, has been shown to have devastating effects on communities throughout Michigan.

The Michigan Library Association is in support of SB19 and SB20 and will work with Senator McBroom who introduced this legislation to put into use an assessment standard called "highest and best use."