



CASCADE POLICY INSTITUTE

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## Summary

Enacting user fees would free libraries from reliance on levies and bond measures and allow them to capitalize on higher demand. User fees would also be more equitable because the heaviest library users have higher incomes.

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*“User fees are especially appropriate in the case of libraries, because the heaviest users are clearly those with the most ability to pay.”*

## Check out library fees

*By John A. Charles*

Supporters of the Multnomah County library had hoped voters would pass Measure 26-32 in the May election to establish a five-year levy to help operate the library. The failed levy would have increased property taxes for the average homeowner by an estimated \$96 per year, raising a total of about \$139,560,270 over the five years beginning July 1, 2002.

Even if the levy had passed, it would merely have been a stop-gap measure at best. Library bond measures were required in 1993 and 1996 for remodeling, maintenance and expansion of facilities, and a five-year serial levy was passed in 1997. These types of measures will always be necessary until the library moves away from reliance on general taxation and enacts user fees instead.

What is a user fee? It is simply a method of financing based on actual use, much like an electricity bill or a garbage disposal charge. A user fee approach has at least two advantages over property taxes. First, it's much more equitable—those who use the most service, pay the most. User fees are especially appropriate in the case of libraries, because the heaviest users are clearly those with the most ability to pay.

According to an analysis done by the Oregon Survey Research Laboratory at the University of Oregon in 1994, “most Oregonians with a low level of education reported that they did not use the public library.” In a similar vein, “nearly half of adults below the poverty level did not use the public library.”

In contrast, the survey found that “higher income adults reported significantly greater use than did low income adults,” and that “professional and technical occupations are the most frequent users of public libraries.”

Given this user profile, broad-based taxation is a regressive way to pay for services. Low-income people should not be forced to pay higher rents for luxury services enjoyed by others.

The second advantage of a user fee is that it automatically converts higher patronage into increased revenues. In 1993, Multnomah County residents borrowed an average of 10.4 books per year. By 2000, this had increased to 18.8. In any other

business, this would have been an opportunity, not a problem. But the library can't cash in on high demand, because its revenue stream is largely independent of actual use.

An appropriate user fee would have brought in more revenue during this period to keep pace with demands, thereby preventing the Monday closure that was enacted in February.

There are many ways that a user fee could be implemented. One method would be an annual membership fee for library cards. Another could be to charge a fee for each loan, or each renewal. Students and low-income residents could be exempted, to keep this a truly progressive system.

Although it's possible that user fees would discourage people from going to the library, that's unlikely if we consider how expensive other options are. For example, the typical new hardback book costs around \$25, while specialized reference texts frequently cost \$80 or more. If you charged fifty cents to check those books out, that would still be a bargain.

Besides, the library already has a type of user fee anyway, called overdue book fines. These charges, currently twenty-five cents per item per day, are necessary to ensure that items are not monopolized by any one person. Charging a fee upfront would simply be an extension of the same philosophy.

Libraries are not truly "free." Someone has to pay. In the long run, switching to user fees will provide better service without the uncertainty caused by once-every-five-year votes.

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