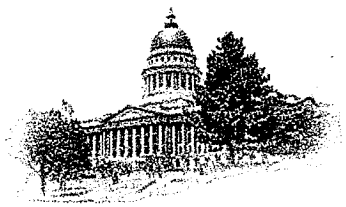
Overview of the Property Tax and Municipal and County Revenue and Expenditures

Prepared for:
Utah Legislature
Revenue and Taxation Interim Committee

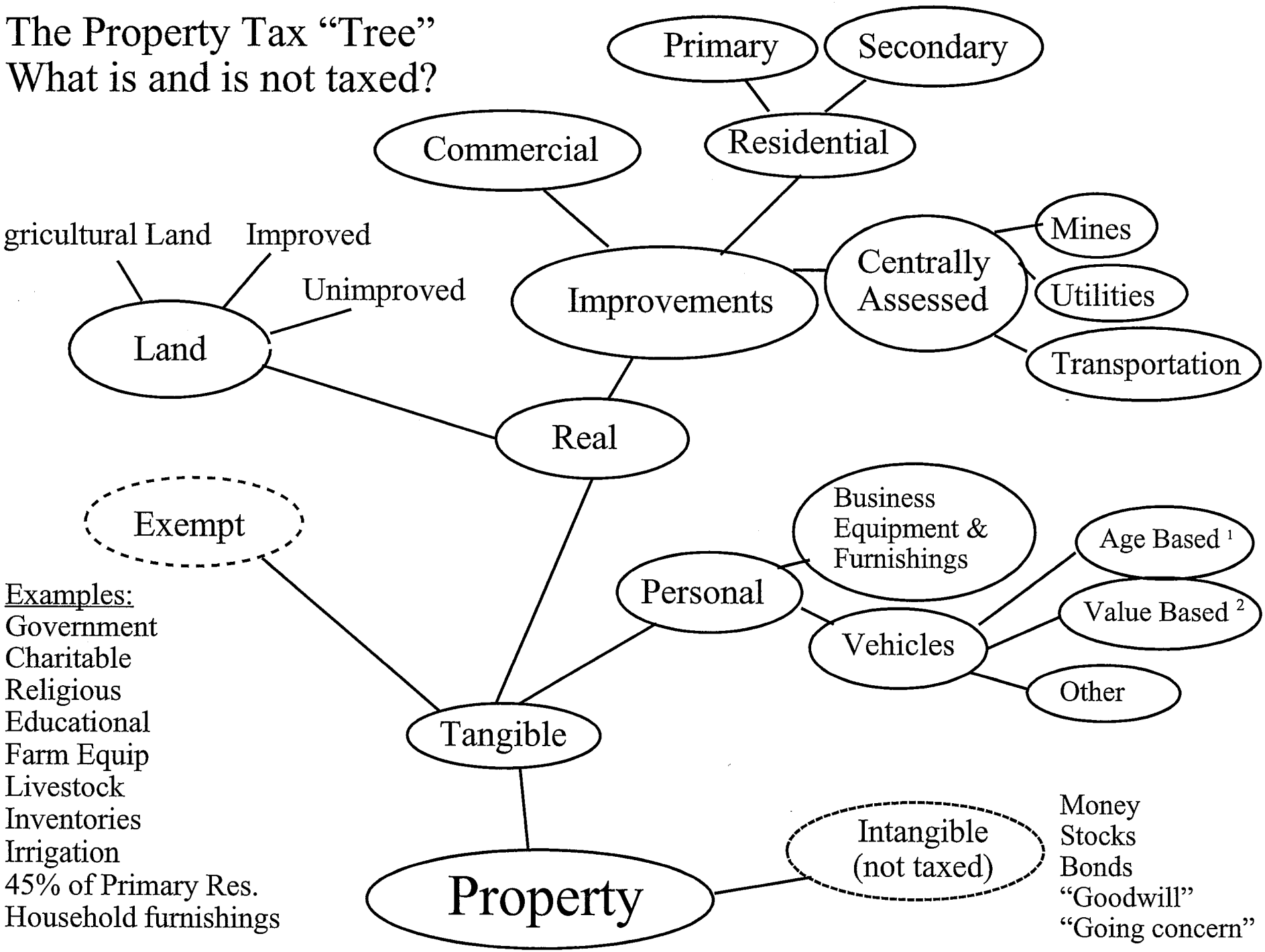
May 16, 2007



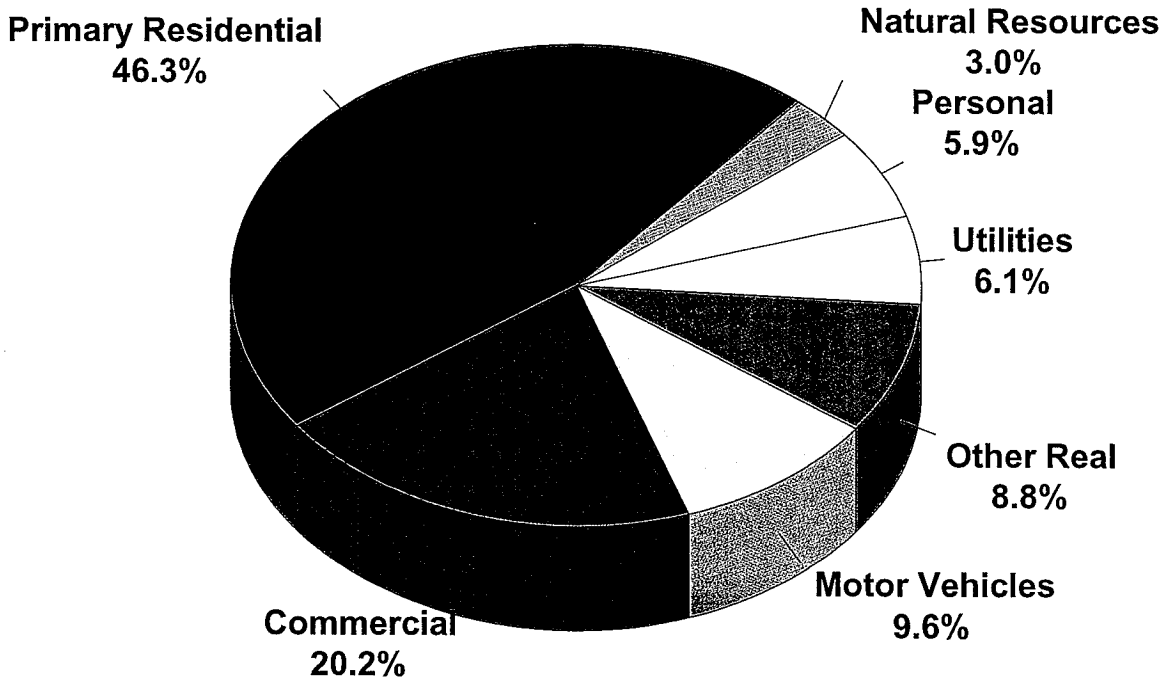
Office of Legislative Research and General Counsel

The Property Tax

The Property Tax "Tree"
What is and is not taxed?

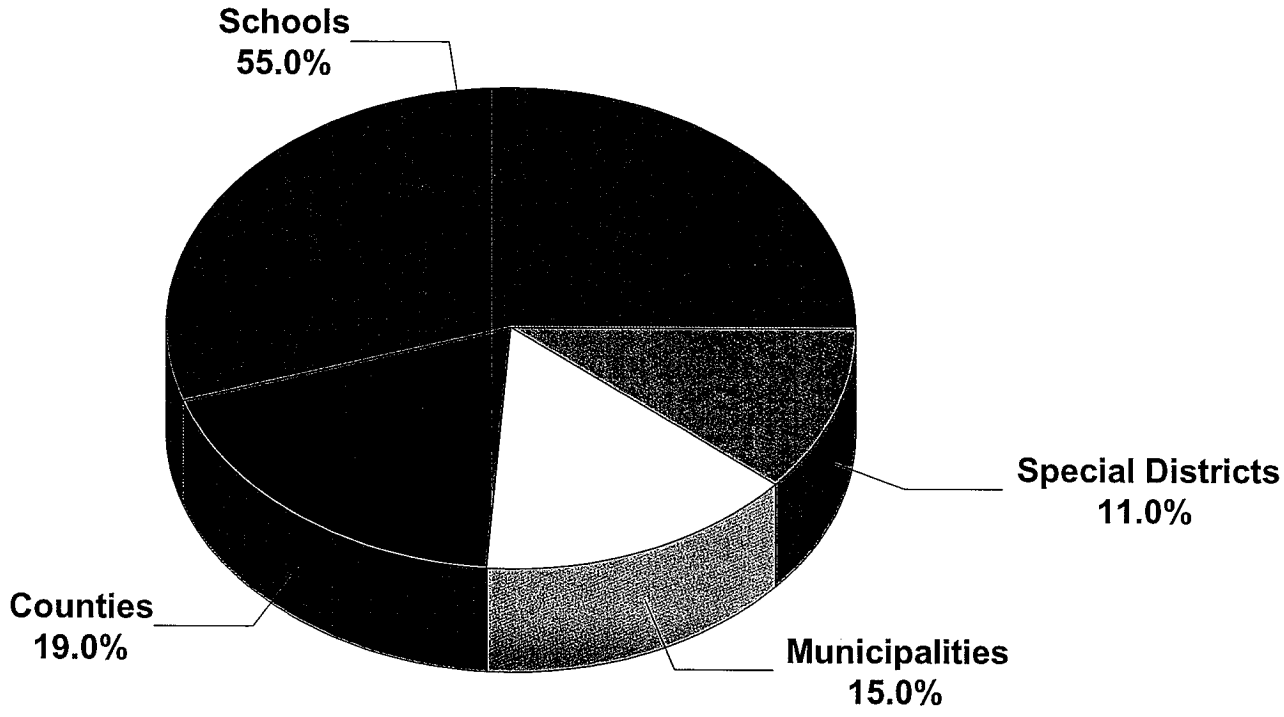


Property Taxes
Where Does the Money Come From?
2005 Tax Year



Total Property Taxes Charged: $1,888,716,549

Property Taxes
Where Does the Money Go?
2005 Tax Year



Municipal Revenue and Expenditures
FY 2005

2005 Municipal Revenue and Expenditure Trends

Revenue Trends

- In general, the bigger the municipality the larger the proportion of revenues from the property tax.
- Resort Communities and Capital City have a large proportion of revenues from property taxes (28 percent and 25 percent respectively).
- General Sales and Other Sales Taxes for 1st Class cities, High Growth Communities, High Income Residential, and Capital City make up 13 to 16 percent of total revenues for these groups.
- The amount of Licenses, fees, and Permits and Impact Fees as a percent of total revenue collected by High Growth Communities is double most other groups (13 percent and 15 percent respectively).

Expenditure Trends

- In general, Administration, Public Safety, Environment and Housing and Transportation account for more than 80 percent of expenditures for cities.
- In general, larger municipalities spend more on Public Safety.
- In general, smaller municipalities spend more on Administration.

Percent of Total Revenues by Class and Cluster[1]

Group (number of entities / population requirement if any)	Total Property Tax	Fee in Lieu of Property Tax	General Sales and Other Sales Taxes	Energy Sales and Use and Transient Room Tax	Fran-chise Tax	License, Fees, and Permits	Inter-govern-mental	Sales, Services, and Special Assess-ments	Impact Fees	Fines and Forfeit-ures	Bond Pro-ceeds	Miscell-aneous
All Cities and Towns (229[2])	18%	2%	21%	2%	7%	4%	14%	10%	4%	3%	11%	6%
Class												
1st (3 / 100,000 or more)	23%	1%	16%	1%	9%	3%	9%	11%	0%	4%	17%	7%
2nd (4 / 65,000 to 99,999)	19%	2%	24%	0%	10%	3%	10%	7%	2%	3%	17%	5%
3rd (12 / 30,000 to 64,999)	14%	1%	23%	4%	5%	4%	24%	8%	5%	3%	4%	4%
4th (25 / 10,000 to 29,999)	14%	2%	19%	4%	5%	6%	10%	12%	7%	3%	9%	9%
5th (92[2] / 1,000 to 9,999)	16%	2%	27%	3%	4%	6%	16%	9%	5%	3%	5%	6%
Town (93[2] / less than 1,000)	14%	1%	28%	1%	2%	4%	28%	11%	1%	2%	0%	8%
Cluster												
Major Cities (10)	18%	2%	25%	2%	8%	3%	11%	8%	2%	3%	10%	6%
Commercial Centers (17)	15%	2%	24%	4%	7%	4%	13%	10%	4%	4%	3%	9%
High Growth Communities (10)	10%	1%	15%	2%	3%	13%	5%	14%	15%	2%	14%	6%
Residential Transitioning (31[2])	11%	2%	20%	3%	5%	8%	17%	11%	7%	5%	3%	7%
High Income Residential (20)	13%	2%	13%	3%	4%	5%	27%	9%	7%	2%	10%	4%
Urban Edge Cities (12)	17%	2%	31%	5%	3%	5%	10%	9%	4%	6%	9%	0%
Resort Communities (6)	28%	1%	28%	3%	4%	5%	11%	6%	2%	0%	0%	13%
Natural Resource/Mining Based (23[2])	11%	3%	30%	1%	6%	2%	29%	12%	0%	3%	0%	4%
Old Established Communities (18[2])	14%	3%	27%	0%	6%	2%	21%	15%	0%	4%	0%	9%
Traditional Agricultural (25[2])	11%	2%	26%	3%	3%	5%	26%	10%	4%	3%	0%	7%
Small Towns (56[2])	11%	1%	23%	0%	1%	2%	40%	11%	0%	0%	1%	8%
Capital City (1)	25%	0%	14%	1%	8%	2%	8%	10%	0%	4%	23%	5%

[1] Clusters were formed by the Utah League of Cities and Towns using a statistical clustering method. Variables used to cluster cities include population, median household income, land values, property tax revenue, and sales tax revenue.

[2] Indicates that the group is missing one or more entities. Data from 10 towns and 2 cities was not available. Missing entities are as follows: Castle Valley, Cedar Fort, Clawson, Coalville, East Carbon, Fountain Green, Green River, Laketown, Lynndyl, Plymouth, Sunnyside, and Torrey.

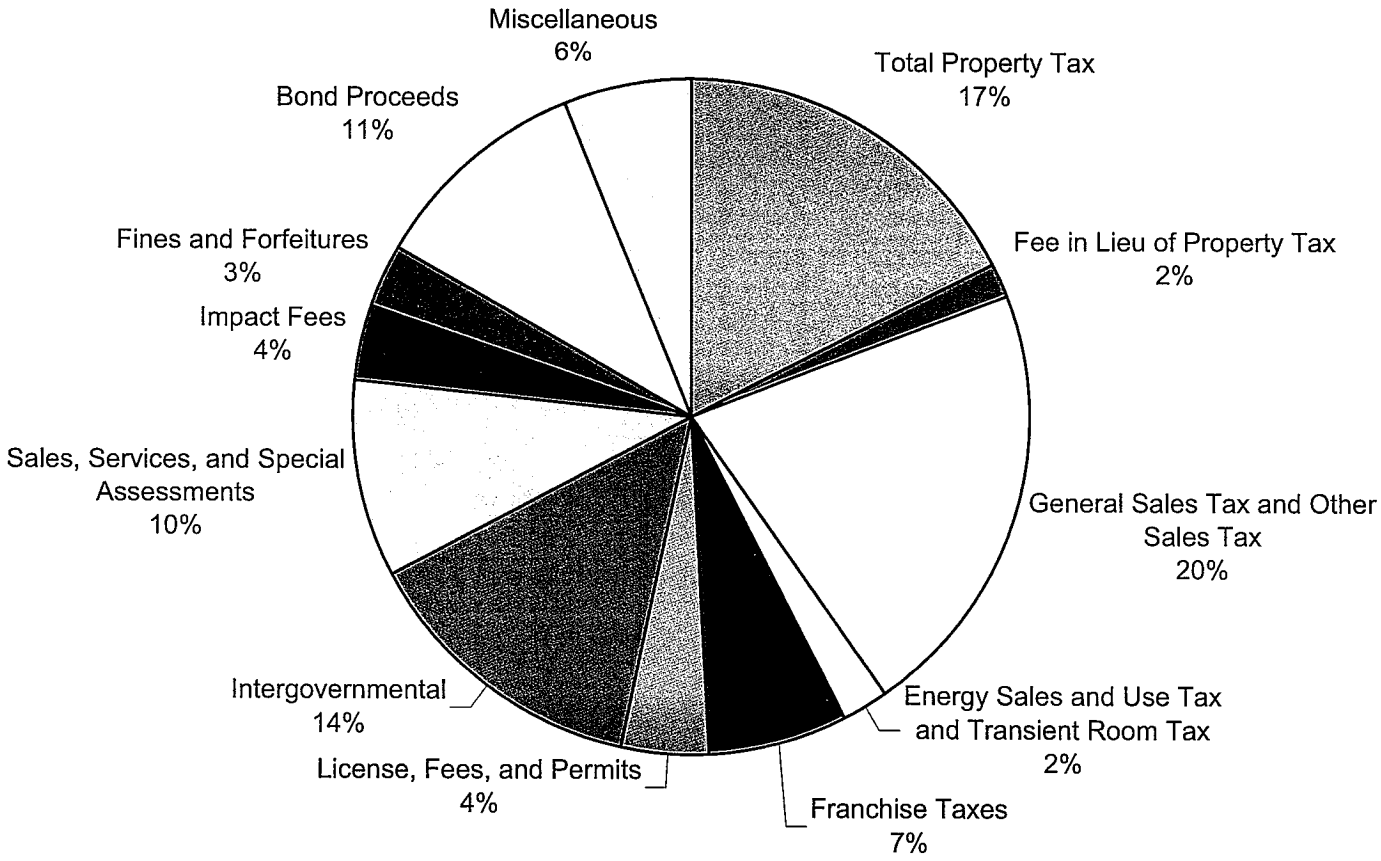
Percent of Total Expenditures by Class and Cluster[1]

Group (number of entities / population requirement if any)	Administration	Public Safety	Environment and Housing	Transpor-tation	Interest on Debt	Utilities	Inter-govern-mental	All Other Expenditures
All Cities and Towns (229[2])	21%	28%	22%	15%	6%	0%	2%	4%
Class								
1st (3 / 100,000 or more)	15%	31%	25%	10%	13%	0%	1%	5%
2nd (4 / 65,000 to 99,999)	19%	39%	25%	11%	4%	0%	0%	2%
3rd (12 / 30,000 to 64,999)	22%	27%	19%	20%	2%	1%	6%	3%
4th (25 / 10,000 to 29,999)	24%	26%	22%	17%	4%	1%	1%	5%
5th (92[2] / 1,000 to 9,999)	28%	19%	23%	19%	1%	0%	3%	5%
Town (93[2] / less than 1,000)	41%	18%	14%	18%	2%	2%	2%	3%
Cluster								
Major Cities (10)	20%	34%	25%	13%	4%	0%	2%	2%
Commercial Centers (17)	17%	29%	24%	18%	4%	1%	0%	6%
High Growth Communities (10)	30%	18%	23%	17%	5%	3%	3%	1%
Residential Transitioning (31[2])	32%	17%	19%	18%	2%	1%	5%	6%
High Income Residential (20)	31%	20%	17%	18%	2%	0%	7%	5%
Urban Edge Cities (12)	31%	24%	20%	16%	2%	0%	4%	4%
Resort Communities (6)	29%	16%	24%	18%	1%	0%	0%	12%
Natural Resource/Mining Based (23[2])	28%	24%	19%	23%	0%	2%	1%	3%
Old Established Communities (18[2])	25%	24%	27%	21%	1%	0%	1%	1%
Traditional Agricultural (25[2])	26%	18%	23%	23%	1%	1%	4%	4%
Small Towns (56[2])	48%	16%	12%	23%	0%	0%	1%	1%
Capital City (1)	12%	32%	20%	12%	17%	0%	0%	7%

[1] Clusters were formed by the Utah League of Cities and Towns using a statistical clustering method. Variables used to cluster cities include population, median household income, land values, property tax revenue, and sales tax revenue.

[2] Indicates that the group is missing one or more entities. Data from 10 towns and 2 cities was not available. Missing entities are as follows: Castle Valley, Cedar Fort, Clawson, Coalville, East Carbon, Fountain Green, Green River, Laketown, Lynndyl, Plymouth, Sunnyside, and Torrey.

Revenues -- Total All Cities



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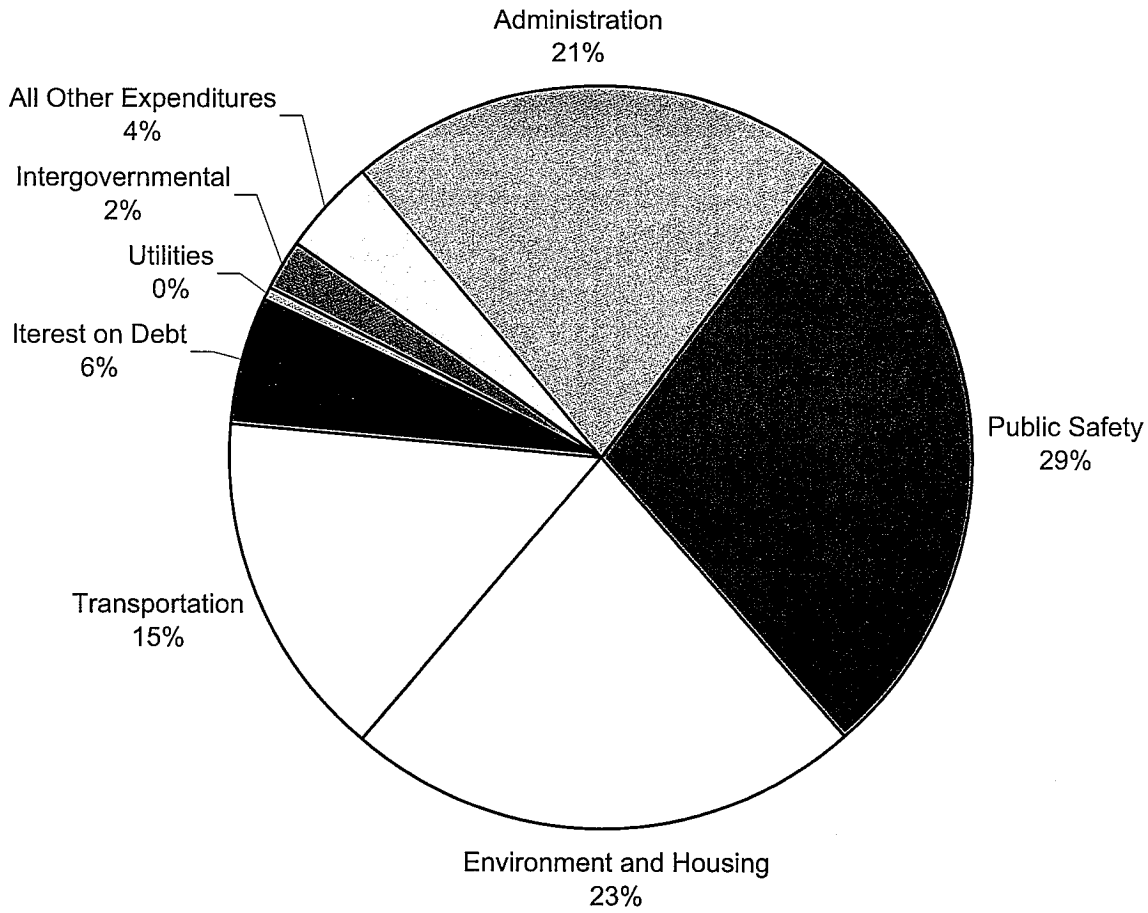
Missing = 12
$ = 1,605,025,226

Expenditures -- Total All Cities



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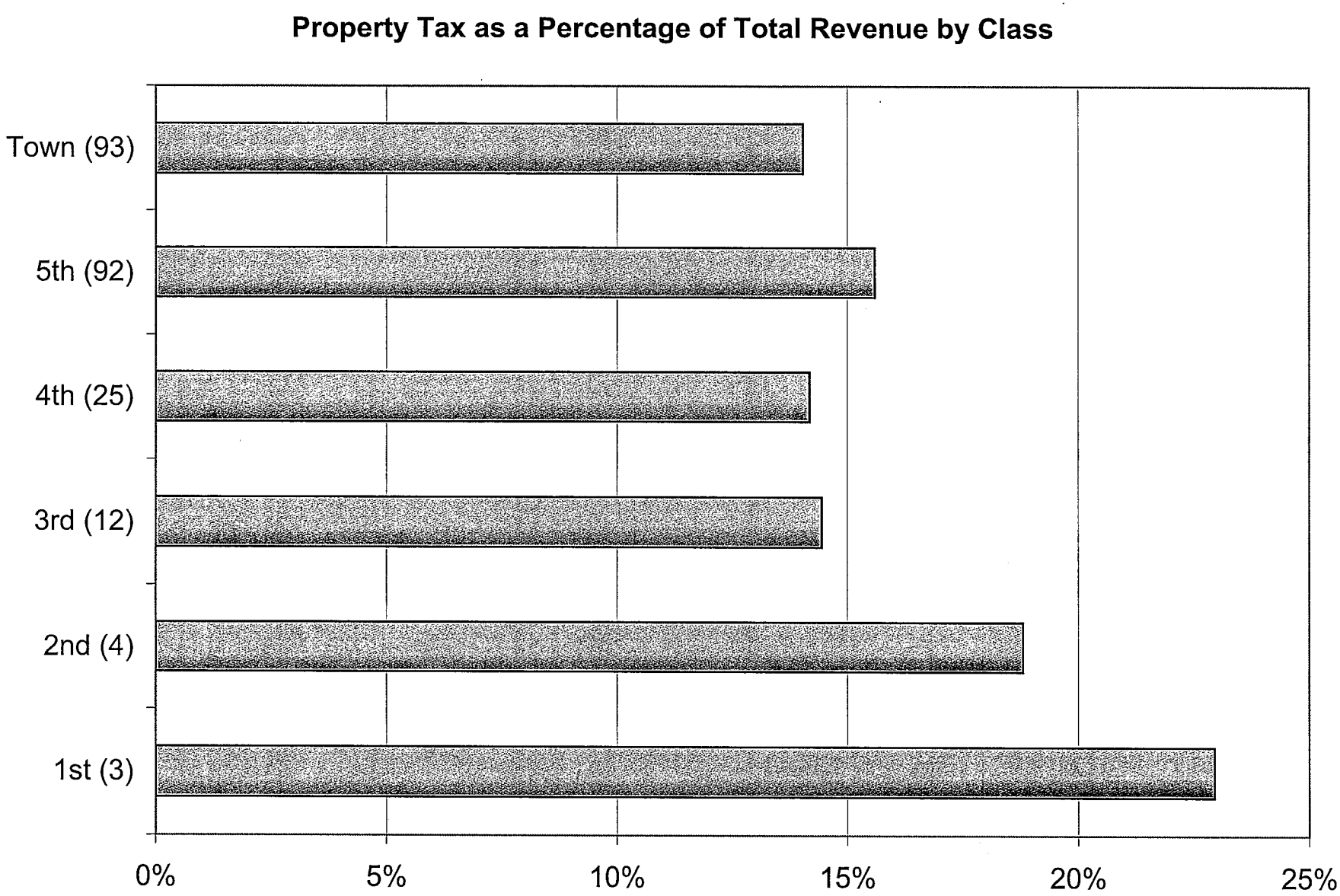
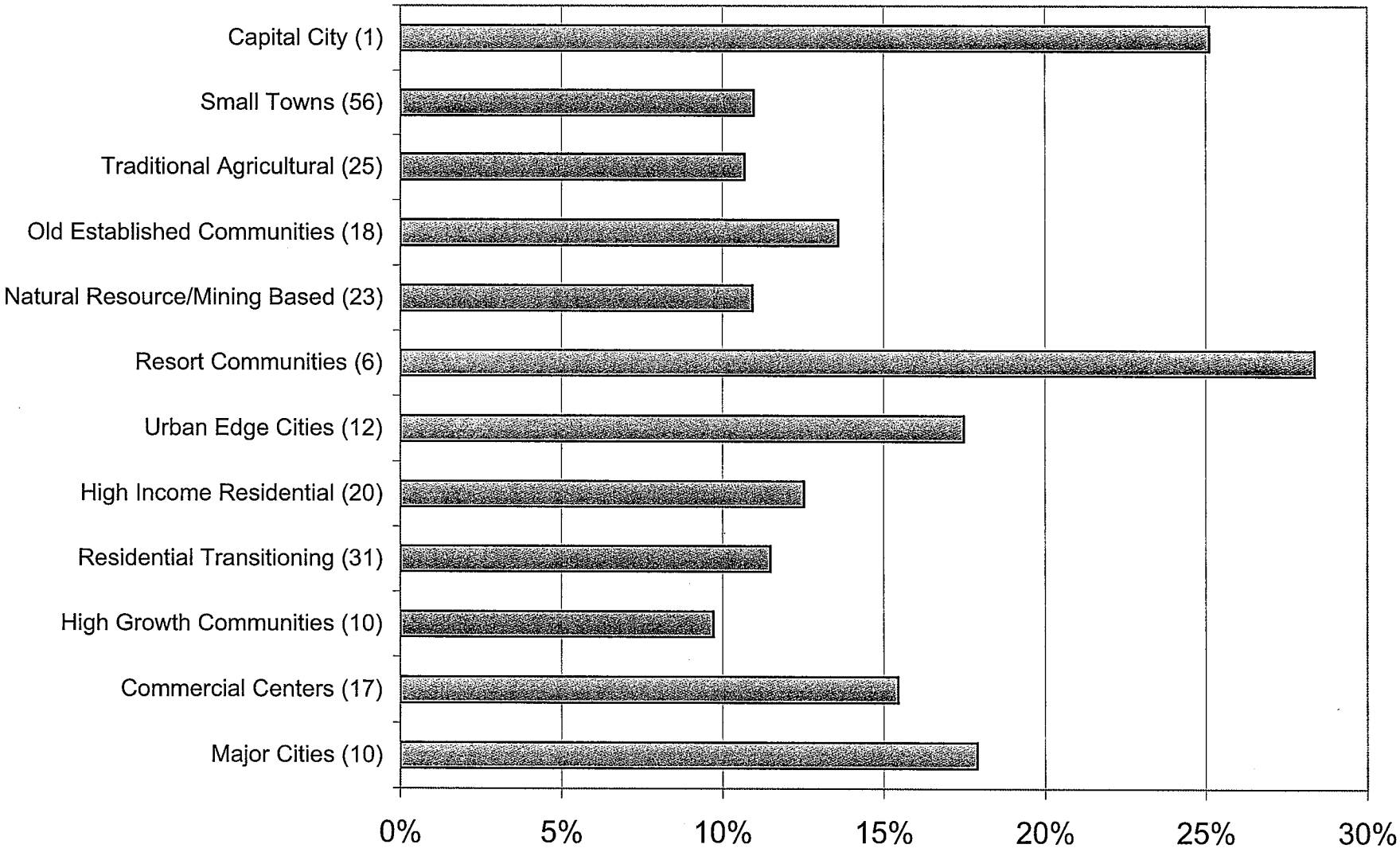
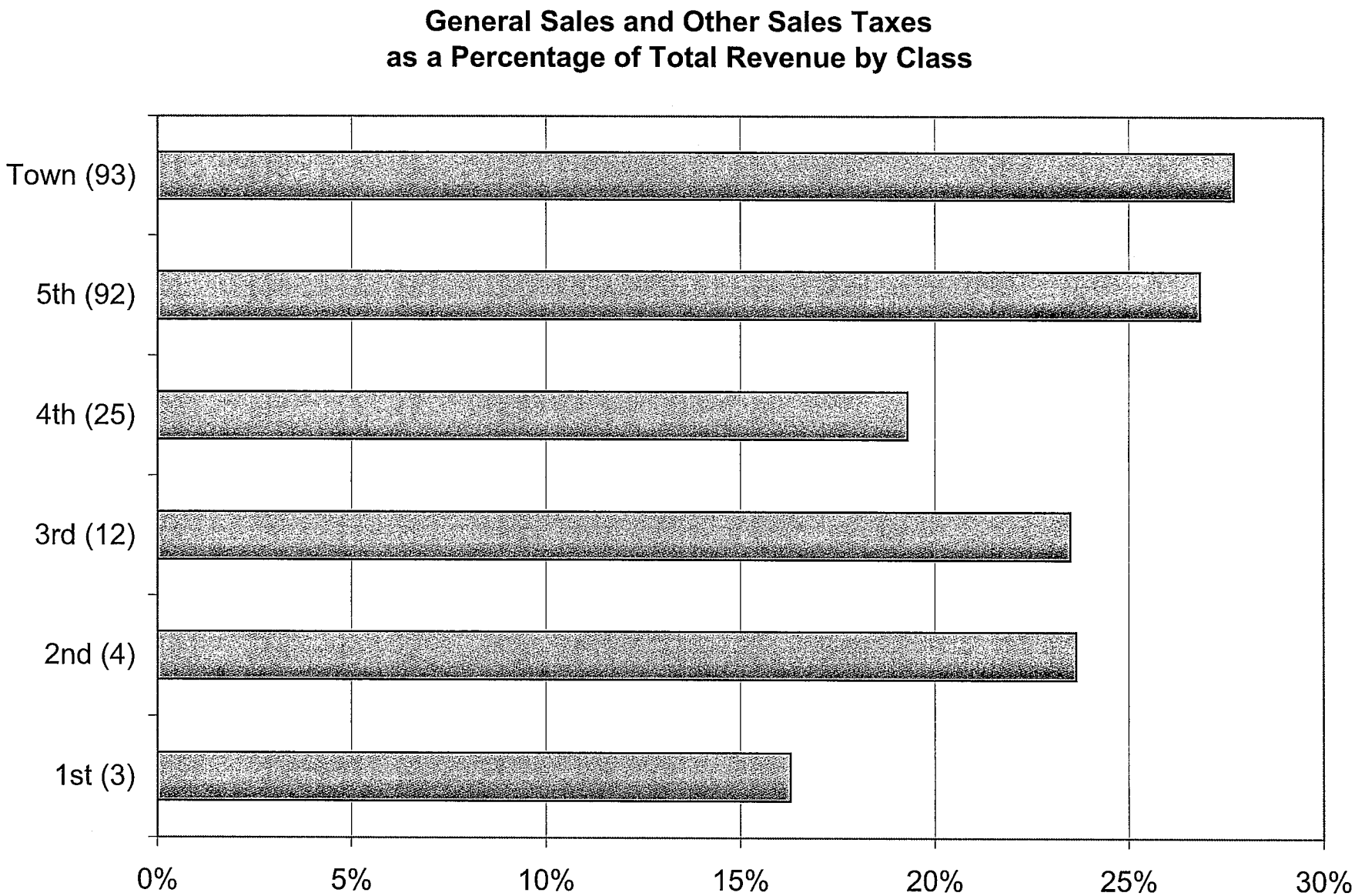
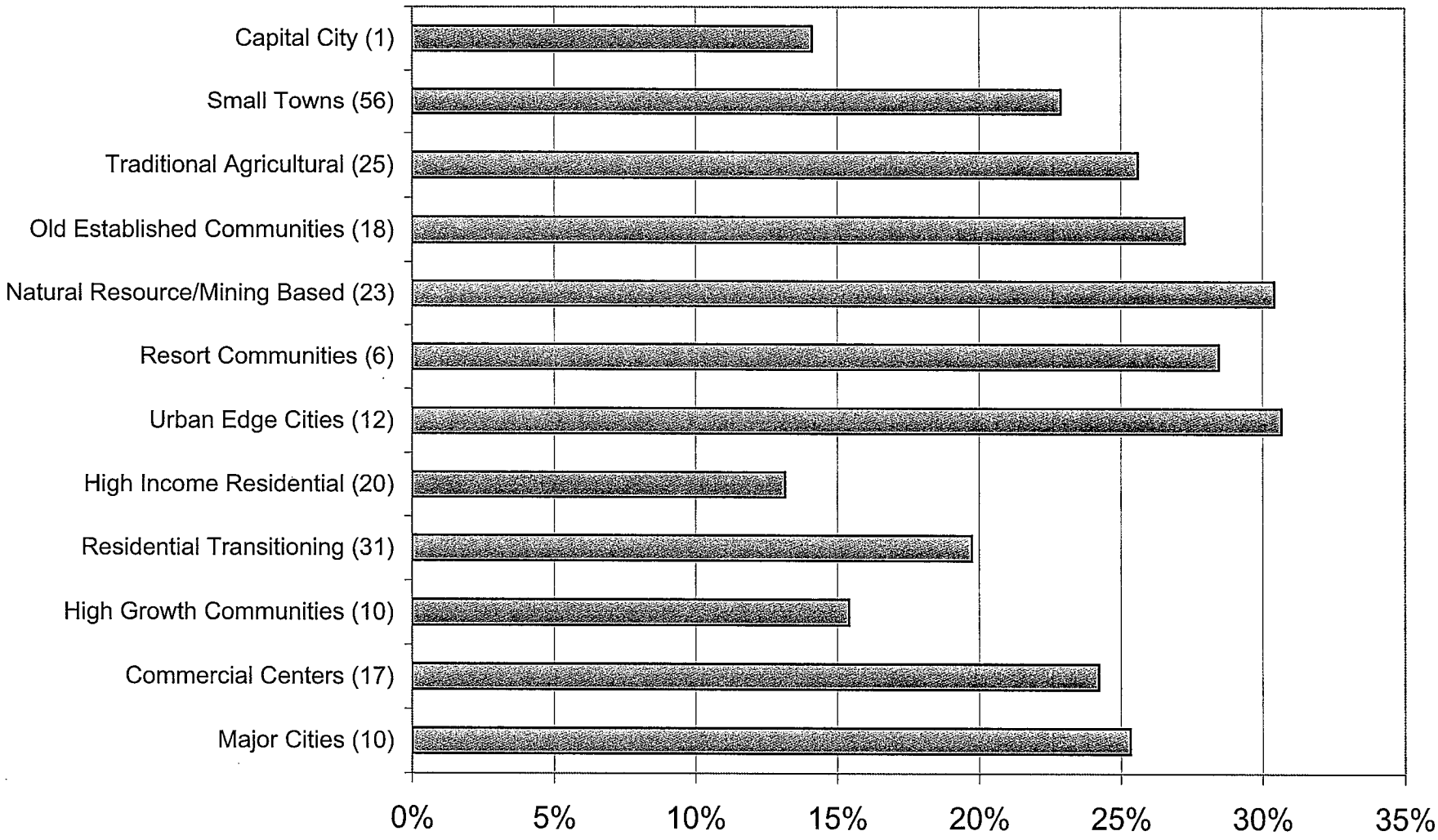

Property Tax as a Percentage of Total Revenue by Class
Town (93)
5th (92)
4th (25)
3rd (12)
2nd (4)
1st (3)
0%
5%
10%
15%
20%
25%

Property Tax as a Percentage of Total Revenue by Cluster

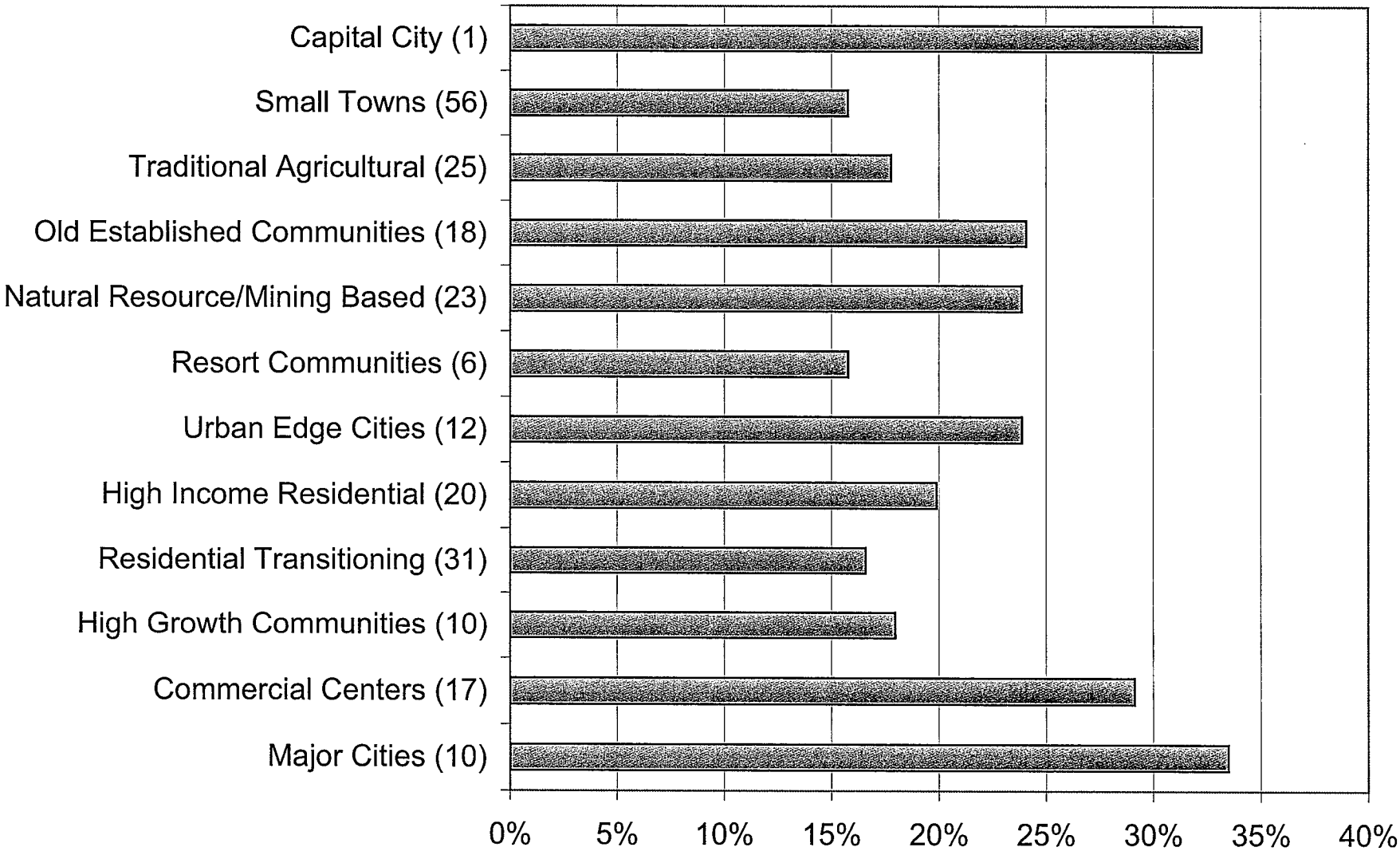



General Sales and Other Sales Taxes
as a Percentage of Total Revenue by Class
Town (93)
5th (92)
4th (25)
3rd (12)
2nd (4)
1st (3)
0%
5%
10%
15%
20%
25%
30%

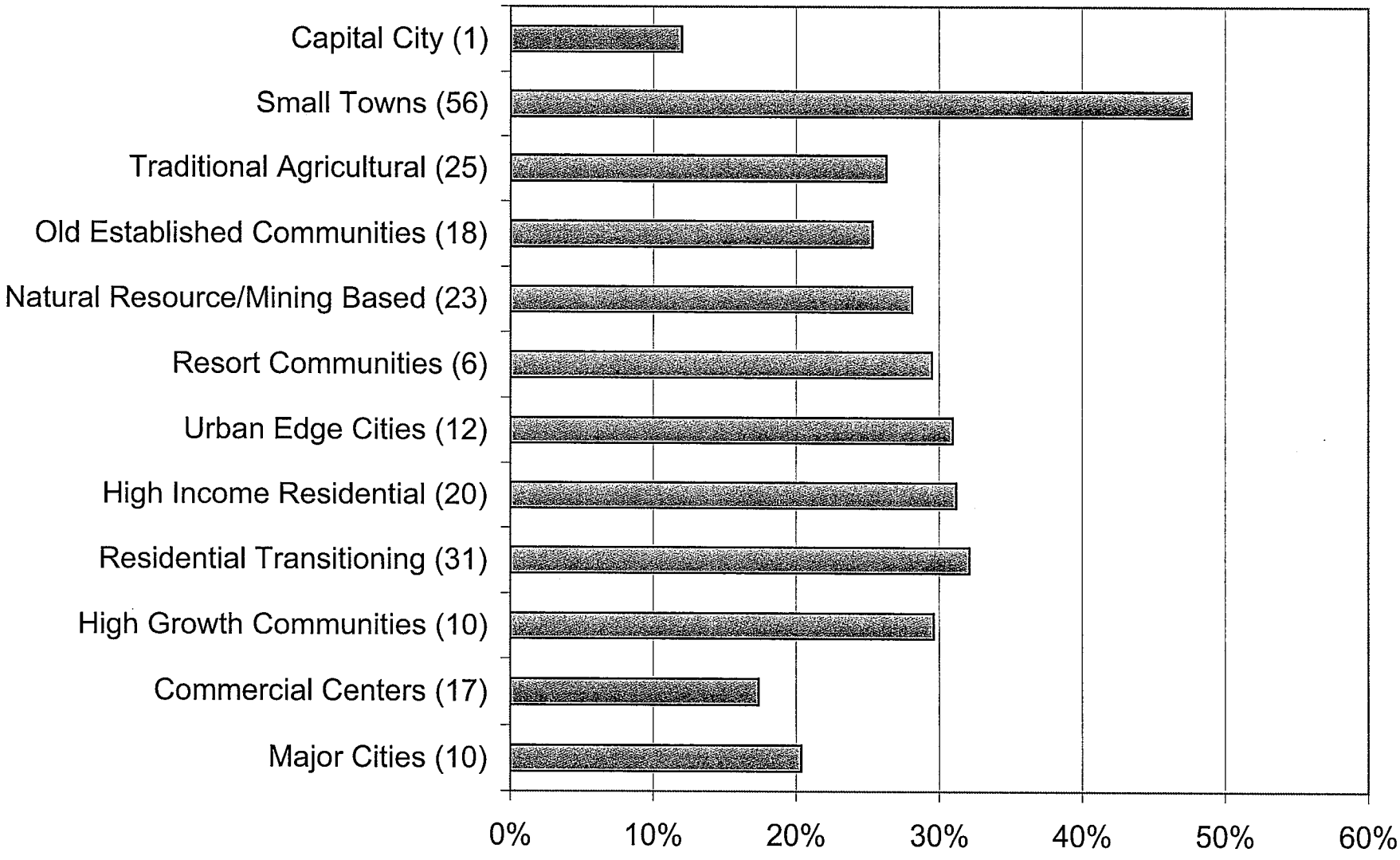
General Sales and Other Sales Taxes as a Percentage of Total Revenue by Cluster



Public Safety as a Percentage of Total Expenditures by Cluster



Administration as a Percentage of Total Expenditures by Cluster



Cities by Class

First Class
Provo
Salt Lake City
West Valley City
Second Class
Ogden
Orem
Sandy
West Jordan
Third Class
Bountiful
Cottonwood Heights
Draper
Layton
Lehi
Logan
Murray
Riverton
Roy
South Jordan
St. George
Taylorsville
Fourth Class
American Fork
Brigham City
Cedar City
Centerville
Clearfield City
Clinton
Eagle Mountain
Farmington
Herriman
Highland
Holladay
Hurricane
Kaysville
Midvale
North Ogden
North Salt Lake
Payson
Pleasant Grove
South Ogden
South Salt Lake
Spanish Fork
Springville
Syracuse
Tooele
Washington
Fifth Class
Alpine
Beaver
Blanding
Bluffdale
Castle Dale
Cedar Hills
Centerfield
Coalville
Delta
Duchesne
East Carbon
Elk Ridge
Enoch
Enterprise
Ephraim
Fairview
Farr West
Ferron
Fillmore
Fruit Heights
Garland City
Genola
Grantsville
Gunnison
Harrisville
Heber City
Helper
Hildale
Honeyville
Hooper
Huntington
Hyde Park
Hyrum
Ivins
Kamas
Kanab
La Verkin
Lewiston
Lindon
Manti
Mapleton
Marriott-Slaterville
Midway
Milford
Millville
Moab
Mona
Monroe
Monticello
Morgan
Moroni
Mt. Pleasant
Naples
Nephi
Nibley
North Logan
Oakley
Orangeville
Panguitch
Park City
Parowan
Perry
Plain
Pleasant View
Price
Providence
Richfield
Richmond
River Heights
Riverdale
Roosevelt
Salem
Salina
Santa Clara
Santaquin
Saratoga Springs
Smithfield
South Weber
Spring
Sunset
Toquerville
Tremonton
Uintah
Vernal
Washington Terrace
Wellington
Wellsville
Wendover
West Bountiful
West Haven
West Point
Willard
Woodland Hills
Woods Cross
Towns
Alta
Altamont
Alton
Amalga
Annabella
Antimony
Apple Valley
Aurora
Ballard
Bear River
Bicknell
Big Water
Boulder
Brian Head
Cannonville
Castle Valley
Cedar Fort
Central Valley
Charleston
Circleville
Clarkston
Clawson
Cleveland
Corinne
Cornish
Deweyville
Elmo
Elsinore
Elwood
Emery
Escalante
Eureka
Fairfield
Fayette
Fielding
Fountain Green
Francis
Garden City
Glendale
Glenwood
Goshen
Green River
Hanksville
Hatch
Henefer
Henrieville
Hinckley
Holden
Howell
Huntsville
Joseph
Junction
Kanarraville
Kanosh
Kingston
Koosharem
Laketown
Leamington
Leeds
Levan
Loa
Lyman
Lynndyl
Manila
Mantua
Marysvale
Mayfield
Meadow
Mendon
Minersville
Myton
New Harmony
Newton
Oak City
Ophir
Orderville
Paradise
Paragonah
Plymouth
Portage
Randolph
Redmond
Rockville
Rocky Ridge
Rush Valley
Scipio
Scofield
Sigurd
Snowville Town
Springdale
Sterling
Stockton
Sunnyside
Tabiona
Torrey
Trenton
Tropic
Vernon
Vineyard
Virgin
Wales
Wallsburg
Woodruff

Cities by Cluster*

Major Cities
Layton
Murray
Ogden
Orem
Provo
Sandy
St. George
Taylorsville
West Jordan
West Valley City

Commercial Centers
American Fork
Brigham City
Cedar City
Clearfield City
Hurricane
Lehi
Logan
Midvale
Payson
Pleasant Grove
Roy
South Salt Lake
Spanish Fork
Springville
Tooele
Vernal
Washington

High Growth Communities
Cedar Hills
Centerville
Clinton
Eagle Mountain
Harrisville
Herriman
Lindon
Saratoga Springs
Syracuse
West Haven

Residential Transitioning
Amalga
Bear River
Cedar Fort
Charleston
Deweyville
Elwood
Francis
Garden City
Huntsville
Hyde Park
Ivins
Laketown
Leeds
Mantua
Mendon
Midway
Millville
Morgan
Paradise
Perry
Plain
Providence
River Heights
Salem
Santa Clara
Stockton
Sunset
Uintah
Wallsburg
Wellsville
West Bountiful
West Point
Willard

High Income Residential
Alpine
Bluffdale
Bountiful
Cottonwood Heights
Draper
Elk Ridge
Farmington
Fruit Heights
Highland
Holladay
Hooper
Kaysville
Mapleton
North Ogden
Oakley
Pleasant View
Riverton
South Jordan
South Weber
Woodland Hills

Urban Edge Cities
Farr West
Heber City
Marriott-Slaterville
Naples
North Logan
North Salt Lake
Riverdale
Smithfield
South Ogden
Tremonton
Washington Terrace
Woods Cross

Resort Communities
Alta
Brian Head
Moab
Panguitch
Park City
Springdale

Natural Resource/ Mining Based
Blanding
Castle Dale
Cleveland
Duchesne
East Carbon
Enterprise
Eureka
Ferron
Gunnison
Helper
Hildale
Hinckley
Huntington
Levan
Minersville
Monticello
Myton
Oak City
Orangeville
Price
Roosevelt
Spring
Wellington
Wendover

Old Established Communities
Annabella
Aurora
Centerfield
Clarkston
Elsinore
Escalante
Fairview
Fountain Green
Garland City
Lewiston
Manti
Monroe
Moroni
Mt. Pleasant
Newton
Parowan
Richfield
Richmond
Salina

Transitional Agricultural
Ballard
Beaver
Coalville
Corinne
Delta
Enoch
Ephraim
Fillmore
Genola
Goshen
Grantsville
Green River
Henefer
Honeyville
Hyrum
Kamas
Kanab
La Verkin
Milford
Mona
Nephi
Nibley
Orderville
Redmond
Rush Valley
Santaquin
Toquerville

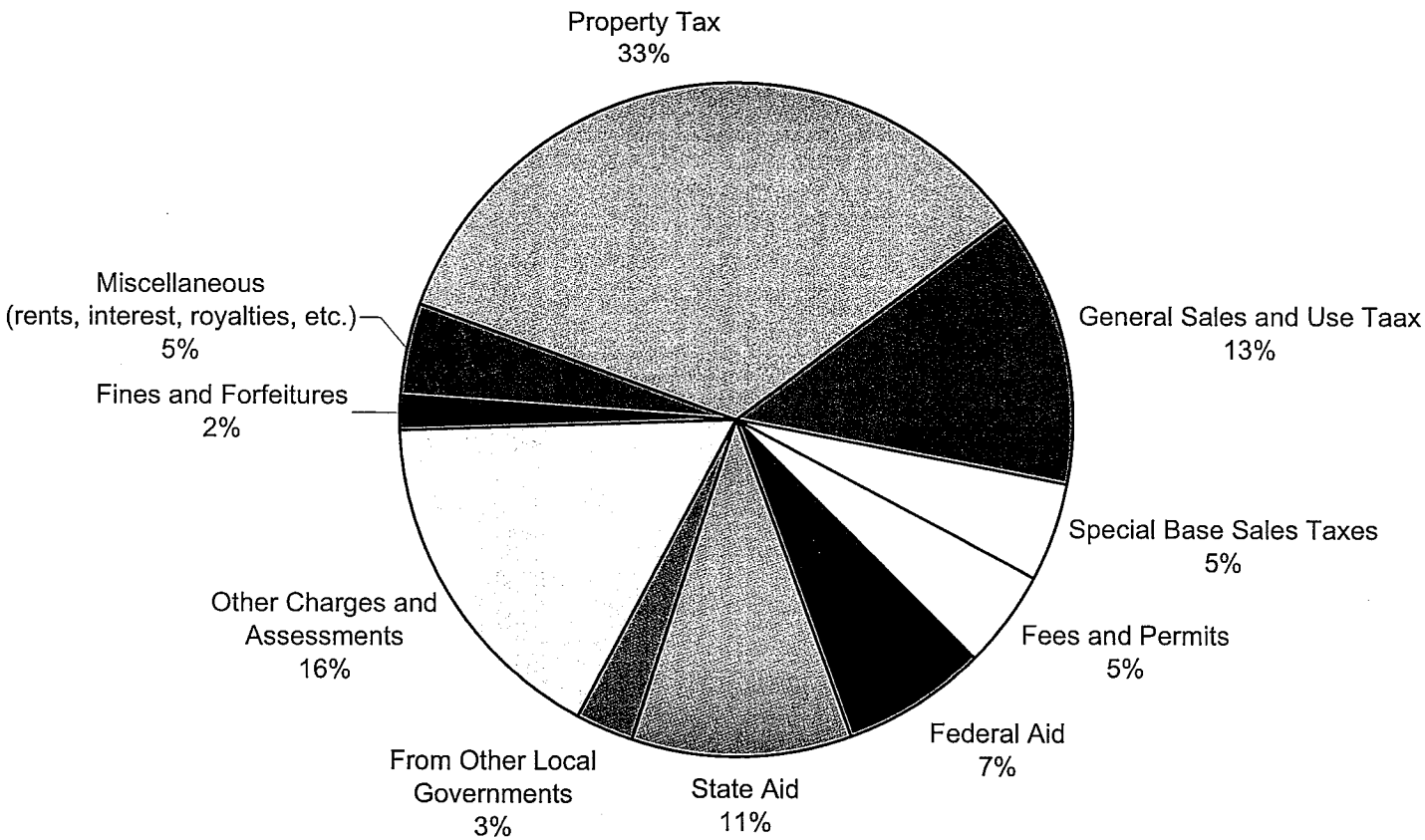
* Clusters were formed by the Utah League of Cities and Towns using a statistical clustering method. Variables used to cluster cities include population, median household income, land values, property tax revenue, and sales tax revenue.

Small Towns
Altamont
Alton
Antimony
Apple Valley
Bicknell
Big Water
Boulder
Cannonville
Castle Valley
Central Valley
Circleville
Clawson
Cornish
Elmo
Emery
Fairfield
Fayette
Fielding
Glendale
Glenwood
Hanksville
Hatch
Henrieville
Holden
Howell
Joseph
Junction
Kanarraville
Kanosh
Kingston
Koosharem
Leamington
Loa
Lyman
Lynndyl
Manila
Marysvale
Mayfield
Meadow
New Harmony
Ophir
Paragonah
Plymouth
Portage
Randolph
Rockville
Rocky Ridge
Scipio
Scofield
Sigurd
Snowville Town
Sterling
Sunnyside
Tabiona
Torrey
Trenton
Tropic
Vernon
Vineyard
Virgin
Wales
Woodruff

Capital City
Salt Lake City

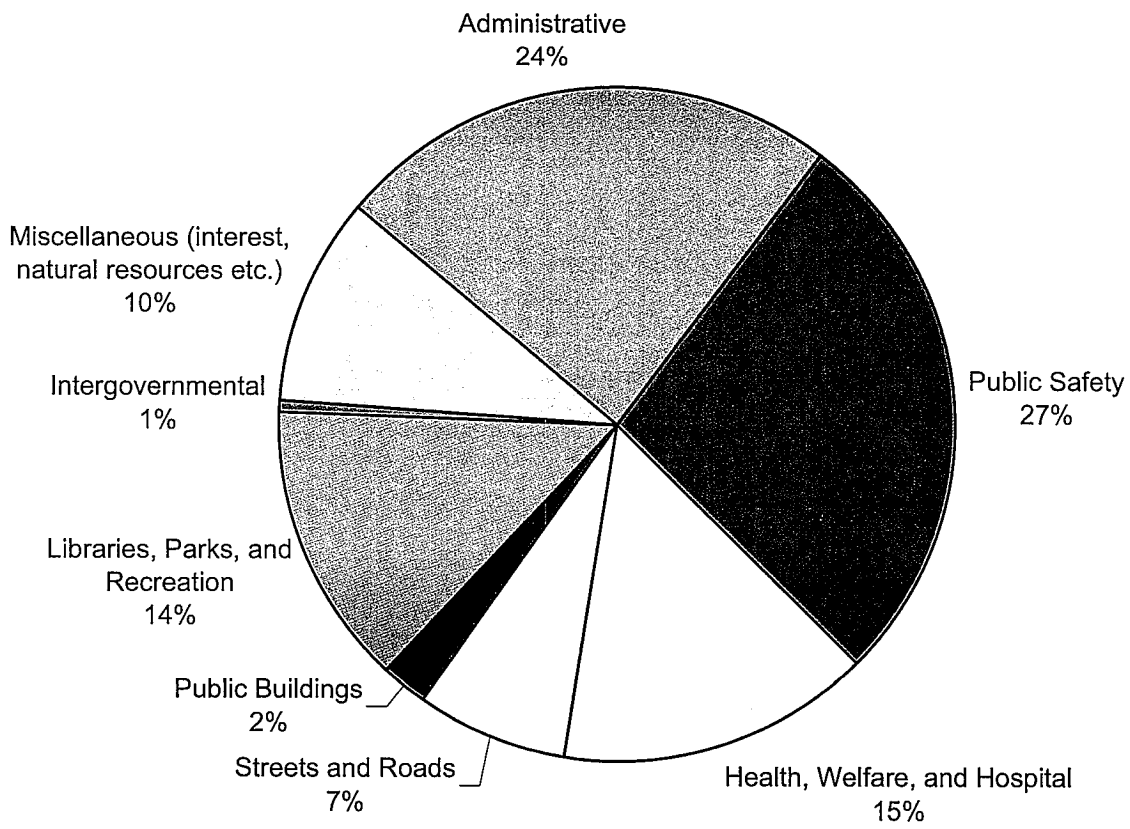
County Revenue and Expenditures
FY 2004

Revenues -- All Counties



N = 27
Missing = 2
$ = 1,046,955,831

Expenditures -- All Counties



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Missing = 2
$ = 1,044,529,274