

THAT SHIP HAS SAILED. WHAT'S NEXT?

LEARN ABOUT OUR OPTIONS • VOICE YOUR OPINION

This Spring, the Utah Legislature passed a bill prohibiting user fees to pay for police service in unincorporated Salt Lake County. The law goes into effect December 31, 2012. Without the fee, we are left with limited options to pay for police services. Learn more and let us know what you think.

BACKGROUND & HISTORY

About the Salt Lake Valley Law Enforcement Service Area

In 2007, County leaders began the process of creating the Salt Lake Valley Law Enforcement Service Area (SLVLESA). The goal was to allow cities to join together to fund regional police services in a more coordinated and cost efficient way.

Over the course of two years, the Legislature made two changes to Utah law, which were necessary before the Area could be officially formed. In the fall of 2009, SLVLESA was created by a unanimous vote of the Salt Lake County Council, with the support of the Mayor.

***SLVLESA does not provide law enforcement services.
SLVLESA simply provides funding for police services.***

Why the police fee was needed

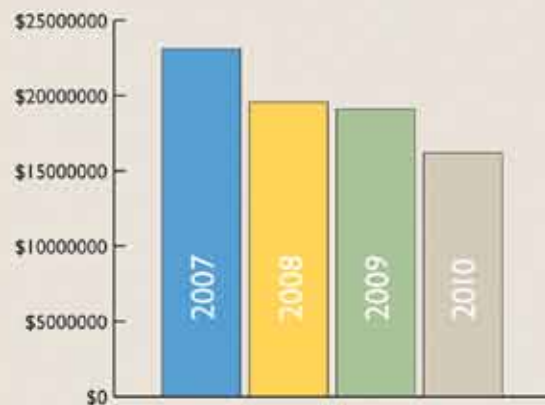
During the recession, sales tax revenues took a 30% plunge. These sales taxes provided the lions-share of funding for municipal services (including police service) in the unincorporated areas. So, this decrease in revenues left an enormous budget gap.

Budget cuts didn't cut it

County leaders immediately looked to budget cuts to close the gap. Leaders slashed the budget by 26% for non-police services paid for by the Municipal Services Fund (road and sidewalk repairs, animal services, snow removal, and other services typically provided by cities). The law enforcement budget was cut by 7%.

Even with these cuts, a \$13 million deficit remained, leaving only two choices. We could fire 60% of our police officers serving the unincorporated areas, or we could find more revenue.

30% Decline in Sales Tax Revenues to the Municipal Services Fund



In the meantime, residents still need to pay 2011 fees.

The short life of the police fee

After deep cuts, County leaders agreed more revenue was needed to maintain basic police service. The Salt Lake County Council and the Mayor supported the creation of the police fee in November of 2009. Residents and business owners received their first bill for the fee in March of 2010. The vast majority of residents paid their bills, and collection rates actually exceeded those for property tax collections.

However, the fee was unpopular. Residents and businesses were not accustomed to being billed directly for basic services, such as police protection. And, unlike property tax, the fee cannot not be deducted from income taxes.

Without providing an alternative source of revenue, the Legislature voted to strip Salt Lake County of the ability to collect a police fee to pay for law enforcement. The law goes into effect December 31, 2012. **In the meantime, residents still need to pay 2011 fees.**

PAYING FOR LAW ENFORCEMENT – OPTIONS OFF THE TABLE

Although the need for police services in the unincorporated county has not decreased, our options to pay for law enforcement have only become more limited.

Franchise fees denied

Recognizing the frustration with the police fee, County leaders asked the Legislature to allow the County to impose a franchise fee in unincorporated areas. All cities in Utah have the authority to collect franchise fees, charges added to utility and telephone bills to help pay for municipal services. Two years in a row, the Legislature refused to grant the County this authority.

Sales tax rates capped

State law caps the municipal sales tax rate at 1%. Like every other local government in Utah, sales taxes in the unincorporated County are already at the cap. So, rates cannot be increased.

Countywide budget cuts don't help

State law prohibits counties from using taxes collected on a countywide basis from being used for services dedicated to the unincorporated areas. As such, cutting recreation centers, golf courses, libraries, or other services paid for by countywide funds will not increase the amount of money available for police services in the unincorporated county.



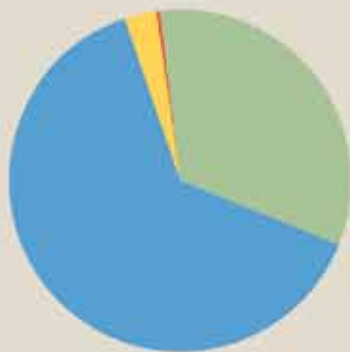
Municipal Services Budget Stretched Thin

The budget for city-like services in unincorporated Salt Lake County is called the Municipal Services Fund. It helps pay for police service, as well as street and sidewalk repairs, snow removal, animal services, and other similar community needs. This fund was already cut significantly (26% for non-law enforcement services and 7% for law enforcement services).

To replace the police fee revenue with cuts, we would need to fire more than half of the police officers serving the area OR completely eliminate capital improvement projects (sidewalks, curb & gutter, storm drains) AND public works services (snow removal, street maintenance).

County Funding to the Municipal Services Fund

(Pays for city-like services in unincorporated Salt Lake County)



- **Sales Tax**
(64%) - \$19,600,000
- **Property Tax**
(33%) - \$10,155,000
- **Cable Contract**
(3%) - \$900,000
- **Interest**
(<1%) - \$50,000

Expenses Paid from the Municipal Services Fund

(*Police service transfer budgeted at \$11.9MM to cover overhead expenses required by state law, however only \$10.8MM is transferred)



- **Transfer for Police Services**
(37%) - \$10,800,000
- **Public Works**
(23%) - \$6,700,000
- **Capital Improvements**
(16%) - \$4,600,000
- **Community Councils, Justice Courts/Legal**
(9%) - \$2,750,000
- **Planning & Dev. Services**
(7%) - \$2,200,000
- **Animal Services**
(6%) - \$1,800,000
- **Street Lighting**
(2%) - \$580,000

Transfer only pays for 50% of law enforcement costs. Currently, the fee covers the rest.

- { Snow Removal, Traffic Signals, Street Maintenance/Engineering
- { Curb, Gutter, & Sidewalk Repairs, Storm Drains, Neighborhood Parks



BETWEEN A ROCK AND A PROPERTY TAX

Given the options already off the table (and the massive cuts needed to balance the budget without replacing the police fee revenues), property tax is the likely funding source needed to continue providing basic law enforcement services to the unincorporated areas.

Most Homeowners Pay Less With Property Tax Estimated Total Tax Burden Reduction By Home Value

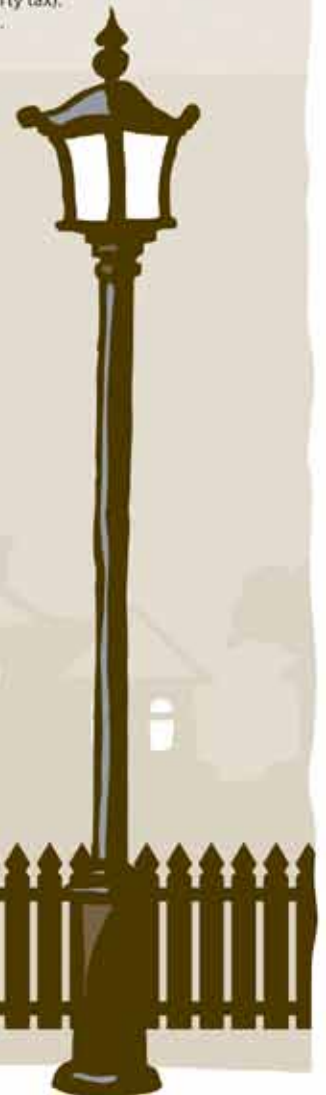


*Average home value in unincorporated SL County. ** Break even point (homes above this value pay more with property tax). Includes estimated state and federal income tax savings, assuming average income (\$42,483) on an itemized tax return.

What replacing the fee with property tax would mean to you

Most homeowners would pay less than they are currently paying with the police fee. Property taxes may also be deductible from your income tax, which may also reduce your total tax burden.

However, not everyone will pay less. Under the police fee, businesses with low police utilization rates paid less. Under the property tax, your payment will be tied only to your property value, regardless of how much you use police services. And, if you are the owner of a more valuable home, you will pay more. Churches, hospitals, and other non-profit organizations that are exempt from property taxes will no longer be billed.





TELL US WHAT YOU THINK!

As a community, we have some tough decisions to make. In the end, not everyone will be happy, but if we have an open debate and civil dialogue, we can chart the best course for our community.

Put it in writing

Comment cards at the open houses will be added to the official public record.

Talk to your elected officials

Contact info at www.council.slco.org and www.mayor.slco.org.

Send us an e-mail

Drop us a line by visiting www.slvlesa.org.

Give us a ring

(801) 468-2342

Write us a letter

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