

# 2021 Budget Revenue Projections

October 13, 2020

# Agenda

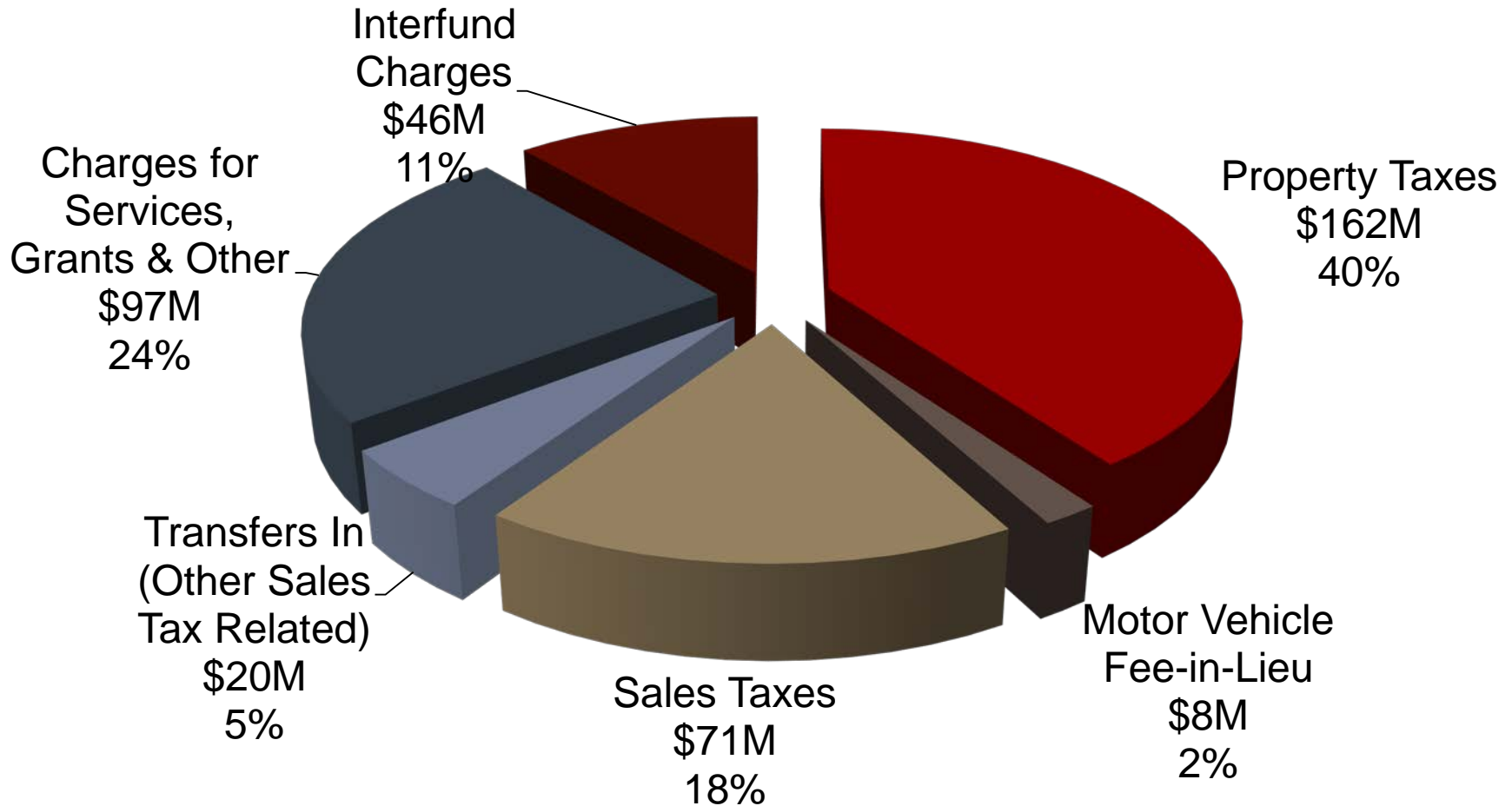
- Property Tax Projection
- Sales Tax Projection
- Other Revenues
- Summary



# 2020 Major Revenues

## General Fund

\$403M Total



# PROPERTY TAX REVENUES

# 2021 Property Tax Revenue

- Projected new growth for 2021
  - Reviewed permit authorized construction trends for residential and non-residential properties
  - Consulted with the District Attorney's Office about centrally-assessed property values
  - Projection vetted with Revenue Committee

# New Growth Projection

- Certified Tax Rate guarantees the same revenue as previous year, plus new growth
- New growth for rate setting based on change in value from:
  - New structures, additions, major remodels
  - Not reappraisal/market value appreciation
- Other Components of new growth:
  - CRA / RDA Offsets (Tax Increment Financing captures new growth in value and diverts it from taxing entities)
  - Centrally Assessed (assessed by the state—must exceed a benchmark to add new growth)
  - Project Area (areas no longer subject to CRA / RDA capture)



# New Growth In Taxable Value

2021 New Growth (\$M)	County-wide <sup>1</sup>	Tax Admin	Library
<b>2020 Projected BOE Adj Value + Inflation</b>	<b>\$124,632</b>	<b>\$132,598</b>	<b>\$81,215</b>
<b>Growth in Real Property Values</b> (net of reappraisal)	\$3,473	\$3,586	\$1,777
<b>- CRA / RDA Offsets</b>	<b>(1,042)</b>	<b>(251)</b>	<b>(533)</b>
<b>+ Centrally Assessed</b>	0	0	0
<b>+ Project Area</b>	357	0	357
<b>NET NEW GROWTH</b>	<b>\$2,789</b>	<b>\$3,335</b>	<b>\$1,601</b>
<b>% NEW GROWTH<sup>2</sup></b>	<b>2.25%</b>	<b>2.5%</b>	<b>2.0%</b>

*CRA / RDA Offsets %*                      -30%                      -7%                      -30%

<sup>1</sup> Countywide includes all countywide funds except for Bond Debt Service and Tax Administration funds.

<sup>2</sup> Growth %'s are rounded.



# Property Tax Revenue Projection

## Countywide Tax Funds

Fund (\$M)	2021 Budget	2020 Budget	<i>New Growth</i>	
General	165.2	161.6	3.64	2.25%
Flood Control	6.8	6.7	0.15	2.25%
Health	16.3	16.0	0.36	2.25%
Governmental Immunity	1.8	1.7	0.04	2.25%
Capital Improvements	8.5	8.3	0.19	2.25%
Planetarium	3.1	3.0	0.07	2.25%
<b>Total Countywide Tax Funds</b>	<b>201.6</b>	<b>197.2</b>	<b>4.44</b>	<b>2.25%</b>
Bond Debt Service	27.6	26.5	1.08	4.1%





# Property Tax Revenue Projections

## Other Funds

Fund (\$M)	2021 Budget	2020 Budget	<i>New Growth</i>	
Library	42.0	41.2	0.82	2.0%
Tax Administration	26.4	25.8	0.64	2.5%
Gov Immunity Unincorp	0.2	0.2	0.01	2.3%
<b>Total Other Funds</b>	<b>68.7</b>	<b>67.2</b>	<b>1.47</b>	<b>2.2%</b>

# **SALES TAX PROJECTIONS**



# 2020 Sales Taxes – New Projection

Sales Tax by Fund (\$M)		2020 Sept. Forecast	2020 June Adj Budget	Change	
<b>General Fund</b>	County Option	69.0	63.4	5.6	8.8%
	ZAP	7.7	7.3	0.5	6.5%
	<b>TOTAL</b>	<b>76.7</b>	<b>70.7</b>	<b>6.1</b>	<b>8.6%</b>
<b>Visitor Promo Fund</b>	Transient Room	<b>10.5</b>	<b>12.0</b>	<b>(1.5)</b>	<b>(12.5%)</b>
<b>TRCC Fund</b>	Transient Room Supp.	1.4	1.7	(0.2)	(12.1%)
	Car Rental	8.8	9.0	(0.2)	(2.2%)
	Restaurant	21.5	16.6	4.9	29.5%
	<b>TOTAL</b>	<b>31.7</b>	<b>27.3</b>	<b>4.5</b>	<b>16.5%</b>
<b>ZAP Fund</b>	ZAP	<b>18.5</b>	<b>17.3</b>	<b>1.1</b>	<b>6.5%</b>
<b>Unincorp Muni Svcs</b>	Local Option	<b>4.1</b>	<b>4.4</b>	<b>(0.3)</b>	<b>(6.8%)</b>
<b>Transportation Fund</b>	Transportation	<b>13.2</b>	<b>12.4</b>	<b>0.8</b>	<b>6.5%</b>
<b>TOTAL</b>		<b>154.8</b>	<b>144.0</b>	<b>10.7</b>	<b>7.4%</b>



# 2020 Sales Taxes – New Projection

Sales Tax by Fund (\$M)		2020 Sept. Forecast	2019 Actual	Change	
<b>General Fund</b>	County Option	69.0	67.6	1.4	2.1%
	ZAP	7.7	7.9	(0.1)	(1.4%)
	<b>TOTAL</b>	<b>76.7</b>	<b>75.4</b>	<b>1.3</b>	<b>1.8%</b>
<b>Visitor Promo Fund</b>	Transient Room	<b>10.5</b>	<b>21.1</b>	<b>(10.6)</b>	<b>(50.2%)</b>
<b>TRCC Fund</b>	Transient Room Supp.	1.4	2.9	(1.5)	(50.3%)
	Car Rental	8.8	15.6	(6.8)	(43.4%)
	Restaurant	21.5	26.9	(5.4)	(20.1%)
	<b>TOTAL</b>	<b>31.7</b>	<b>45.4</b>	<b>(13.6)</b>	<b>(30.0%)</b>
<b>ZAP Fund</b>	ZAP	<b>18.5</b>	<b>18.7</b>	<b>(0.3)</b>	<b>(1.4%)</b>
<b>Unincorp Muni Svcs</b>	Local Option	<b>4.1</b>	<b>5.2</b>	<b>(1.1)</b>	<b>(21%)</b>
<b>Transportation Fund*</b>	Transportation	<b>13.2</b>	<b>37.9</b>	<b>(24.7)</b>	<b>(65%)</b>
<b>TOTAL</b>		<b>154.8</b>	<b>203.7</b>	<b>(49.0)</b>	<b>(24%)</b>

\* Salt Lake County received 100% of this new transportation tax from 4Q 2018 through 2Q 2019 and then 20% thereafter. On a normalized basis the variance would be about -\$112K and -0.8%



# 2021 Sales Tax Revenue

- Projected based on local and national economic indicators, including
  - Wage and employment growth
  - Consumer Confidence
  - Vehicle sales and other leading indicators
- Incorporated 2020 legislation in the calculations
  - Marketplace facilitators (4Q 2020)
  - Remote sellers and exemption for manufacturing and mining nondurable purchases, etc. (Jan 2020)
- Information available from the Tax Commission on a two-month lag
  - Currently have actuals through July 2020
  - August information available the week of October 22<sup>nd</sup>
- Local Option Sales Tax
  - Included reduction for the Brighton incorporation, effective January 2020
- Projections vetted with the Revenue Committee



# 2021 Sales Tax Projection

Compared to 2020 Budget

Sales Tax by Fund (\$M)		2021 Forecast	2020 June Adj Budget	Change	
General Fund	County Option	70.5	63.4	7.1	11.2%
	ZAP	7.7	7.3	0.4	5.3%
	<b>TOTAL</b>	<b>78.2</b>	<b>70.7</b>	<b>7.5</b>	<b>10.6%</b>
Visitor Promo Fund	Transient Room	13.2	12.0	1.2	10.0%
TRCC Fund	Transient Room Supp.	1.8	1.7	0.2	10.3%
	Car Rental	11.5	9.0	2.5	27.8%
	Restaurant	24.6	16.6	8.0	48.2%
	<b>TOTAL</b>	<b>37.9</b>	<b>27.3</b>	<b>10.7</b>	<b>39.2%</b>
ZAP Fund	ZAP	18.2	17.3	0.9	5.3%
Unincorp Muni Svcs	Local Option	4.4	4.4	0.0	0.0%
Transportation Fund	Transportation*	13.0	12.4	0.6	4.8%
<b>TOTAL</b>		<b>164.9</b>	<b>144.0</b>	<b>20.9</b>	<b>14.5%</b>



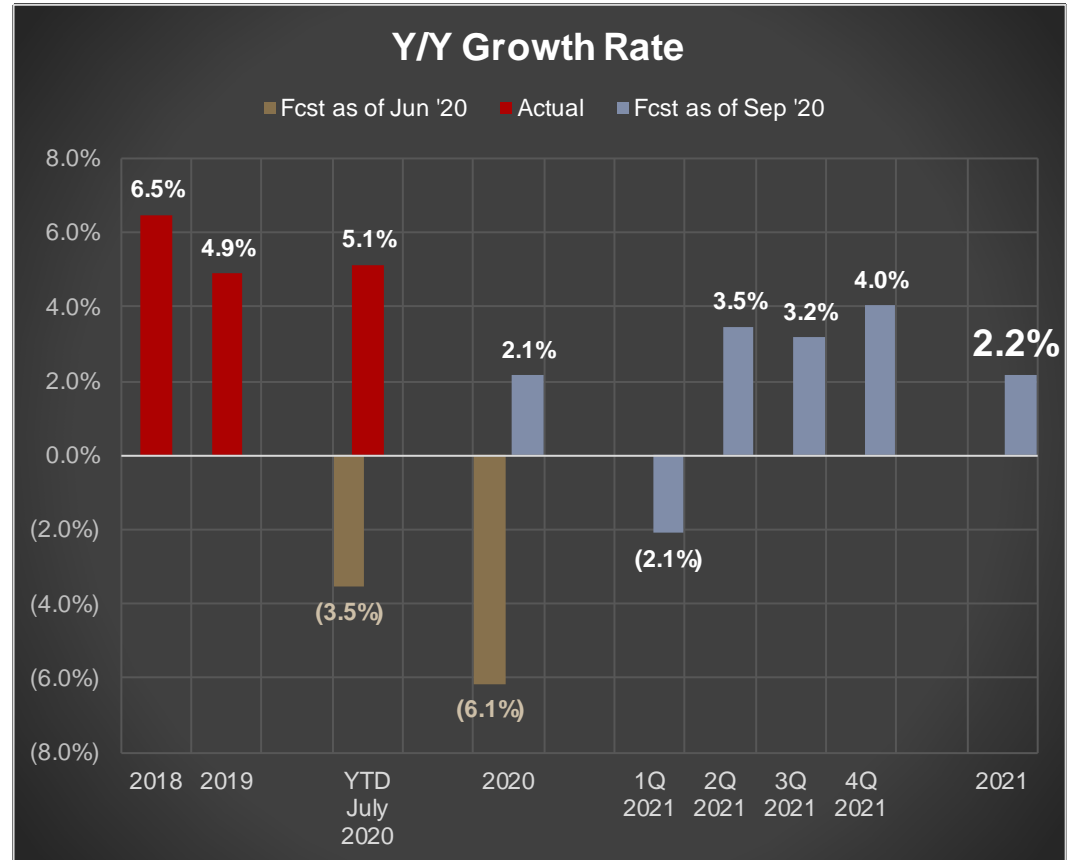
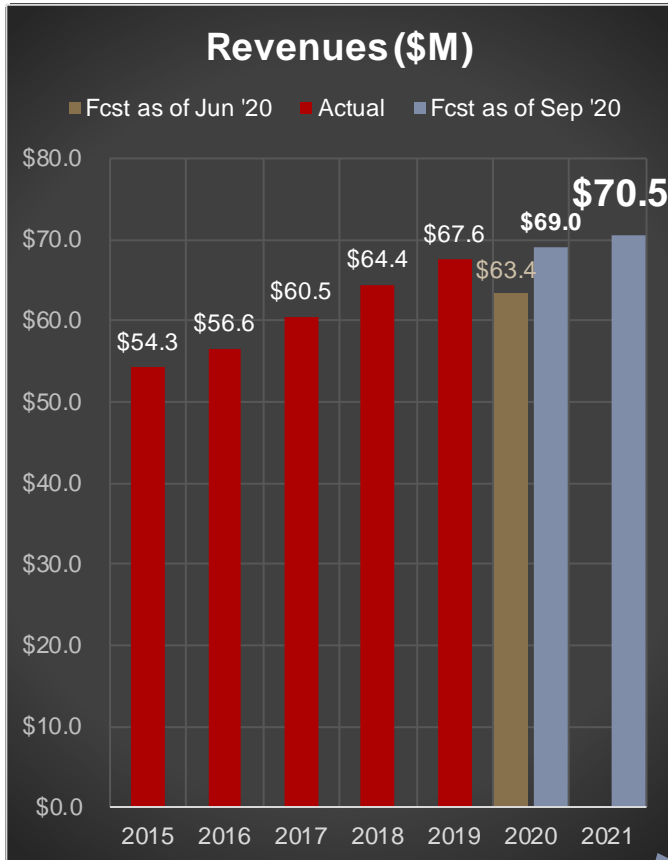
# 2021 Sales Tax Projection

Compared to New 2020 Projection

Sales Tax by Fund (\$M)		2021 Forecast	2020 Sept. Forecast	Change	
General Fund	County Option	70.5	69.0	1.5	2.2%
	ZAP	7.7	7.7	(0.1)	(1.1%)
	<b>TOTAL</b>	<b>78.2</b>	<b>76.7</b>	<b>1.4</b>	<b>1.8%</b>
Visitor Promo Fund	Transient Room	<b>13.2</b>	<b>10.5</b>	<b>2.7</b>	<b>25.7%</b>
TRCC Fund	Transient Room Supp.	1.8	1.4	0.4	25.5%
	Car Rental	11.5	8.8	2.7	30.7%
	Restaurant	24.6	21.5	3.1	14.4%
	<b>TOTAL</b>	<b>37.9</b>	<b>31.7</b>	<b>6.17</b>	<b>19.4%</b>
ZAP Fund	ZAP	<b>18.2</b>	<b>18.5</b>	<b>(0.2)</b>	<b>(1.1%)</b>
Unincorp Muni Svcs	Local Option	<b>4.4</b>	<b>4.1</b>	<b>0.3</b>	<b>7.3%</b>
Transportation Fund	Transportation*	<b>13.0</b>	<b>13.2</b>	<b>(0.2)</b>	<b>(1.5%)</b>
<b>TOTAL</b>		<b>164.9</b>	<b>154.8</b>	<b>10.2</b>	<b>6.6%</b>

# County Option Sales Tax

(0.25% tax — to General Fund)



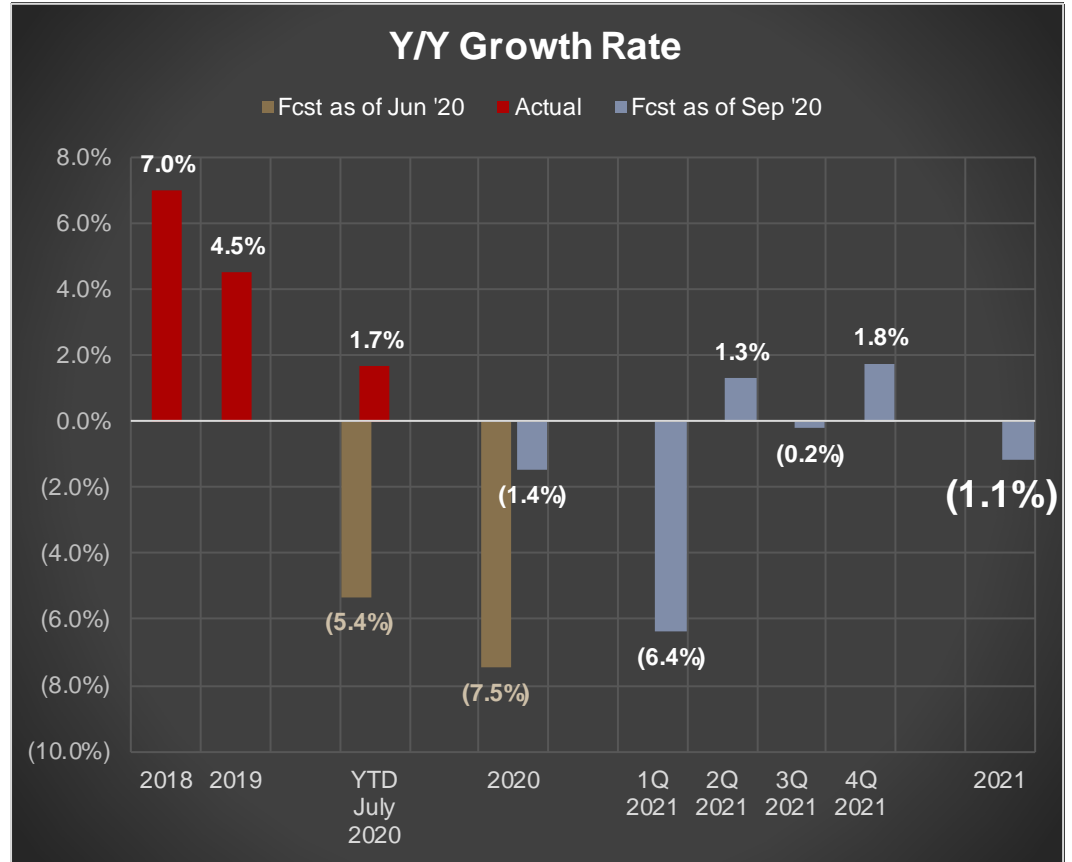
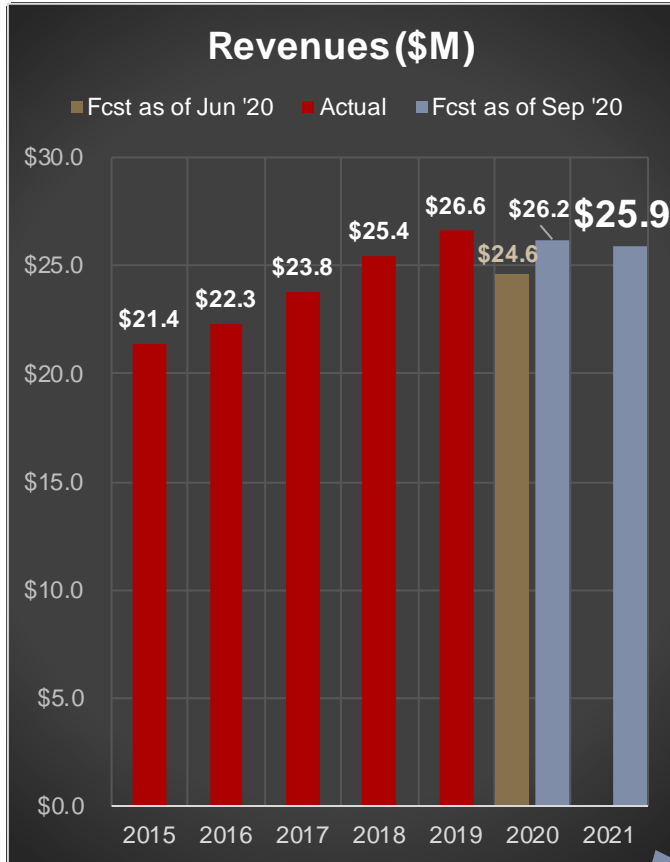
+1.5M vs. '20 Projection  
+7.1M vs. '20 Budget





# Zoo, Arts, & Parks Tax

(0.1% tax to ZAP Fund and General Fund\*)



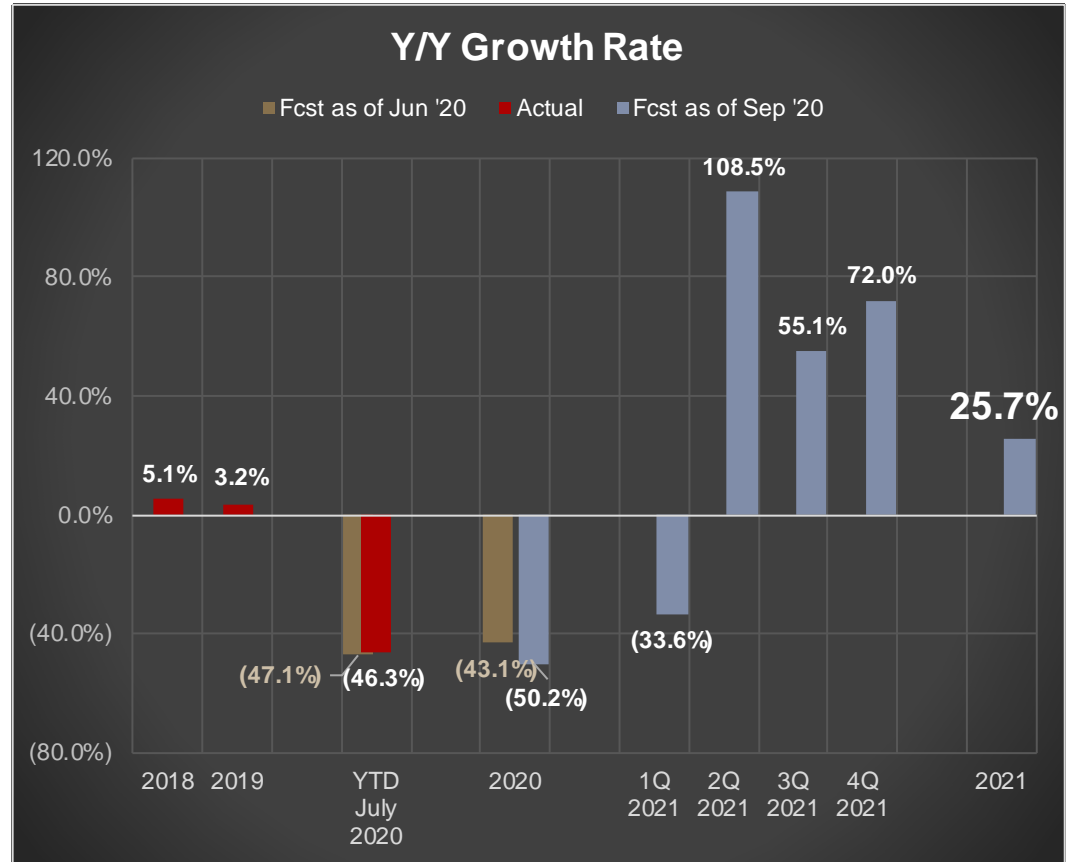
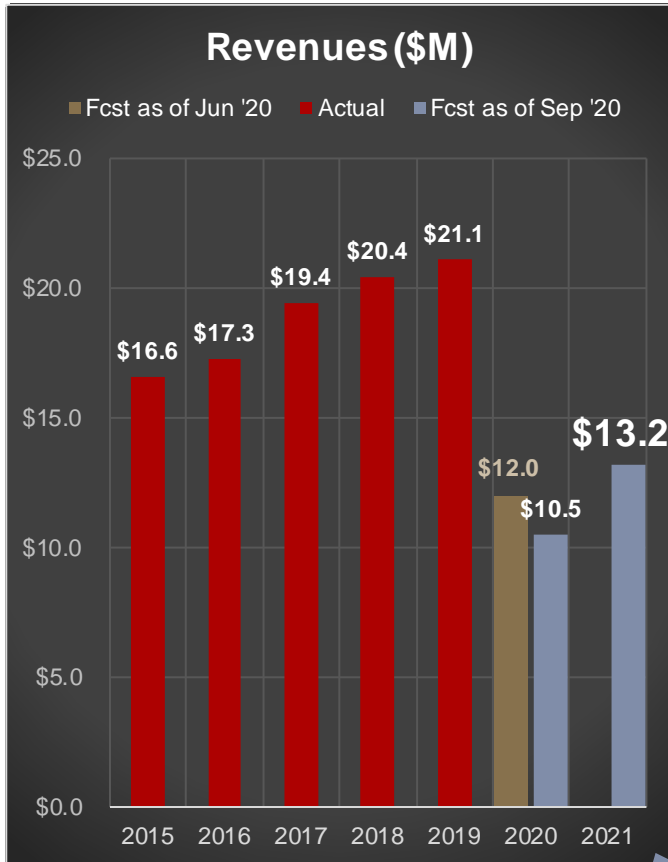
-0.3M vs. '20 Projection  
+1.3M vs. '20 Budget

\* Approximately 70.45% to ZAP Fund and 29.55% to General Fund for Recreation



# Transient Room Tax

(4.25% tax to Visitor Promotion Fund)

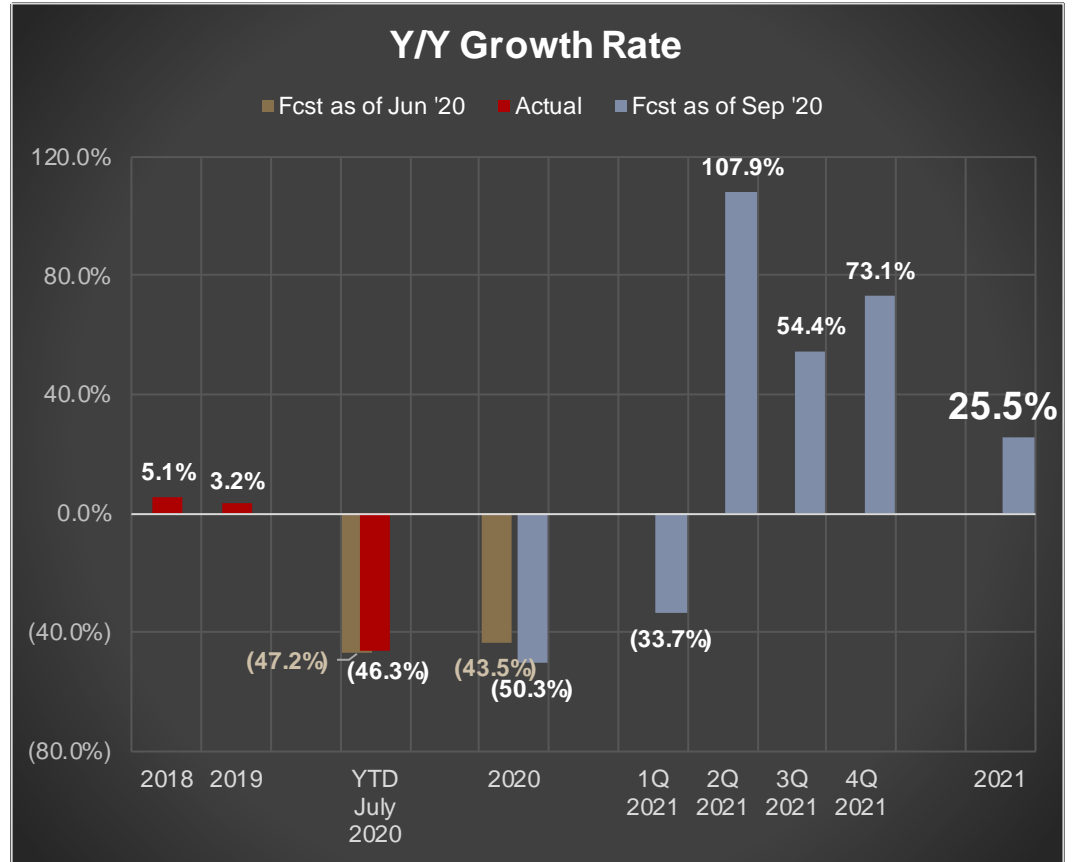
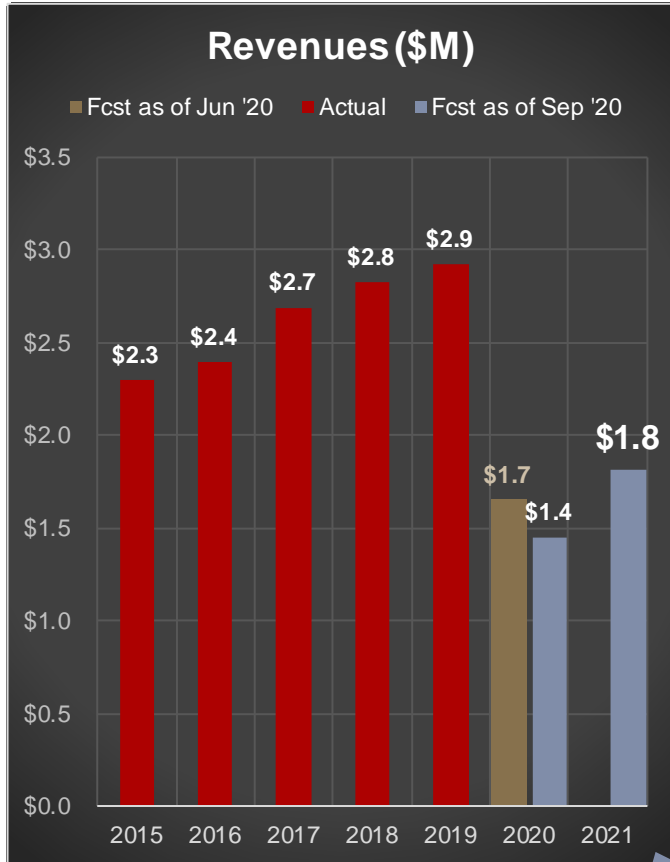


+2.7M vs. '20 Projection  
+1.2M vs. '20 Budget



# Transient Room Tax - Supplemental

## (0.5% tax to TRCC Fund)

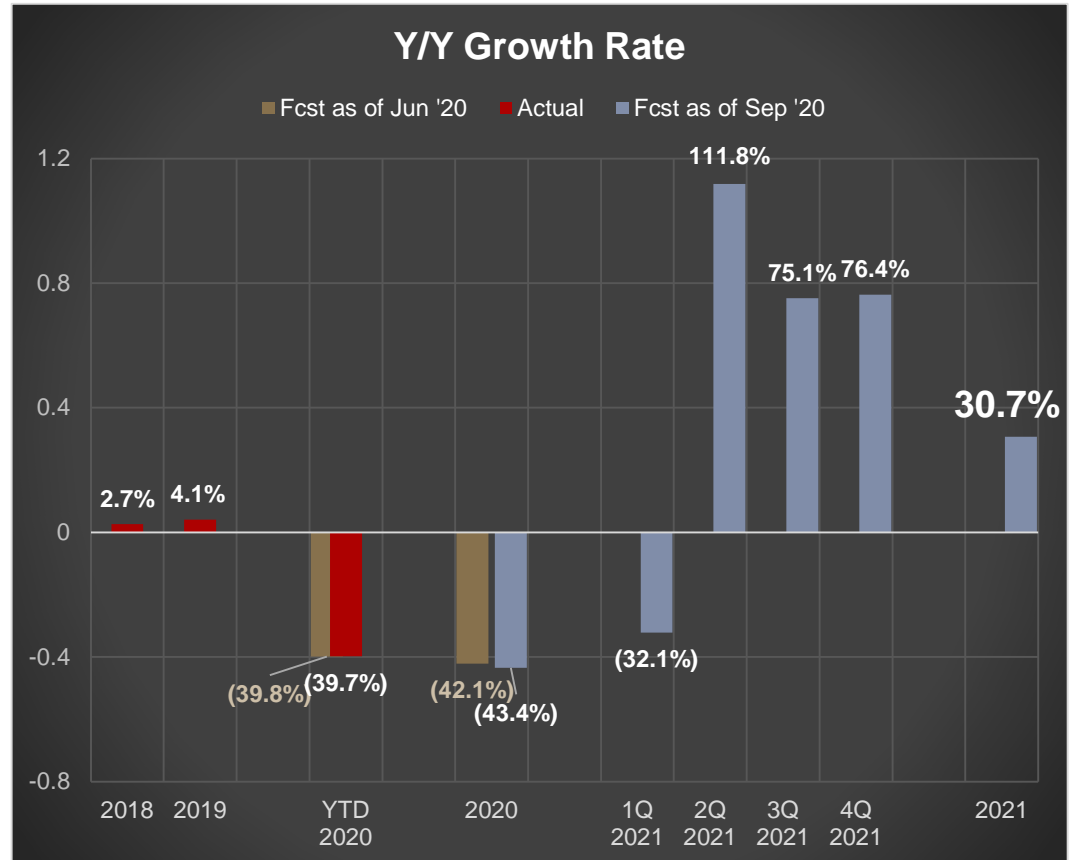
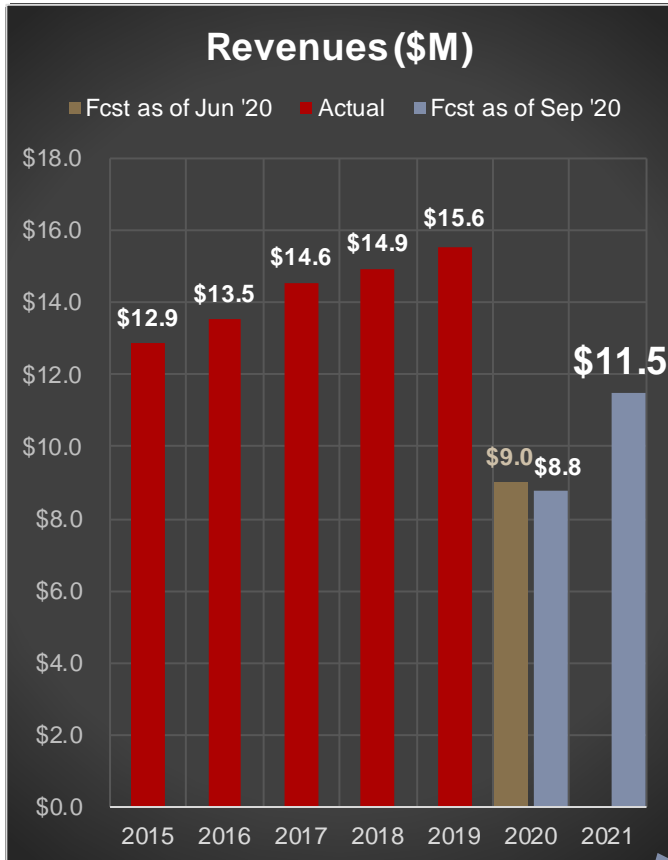


+0.4M vs. '20 Projection  
+0.2M vs. '20 Budget



# Car Rental Tax

(3% & 4% tax to TRCC Fund)

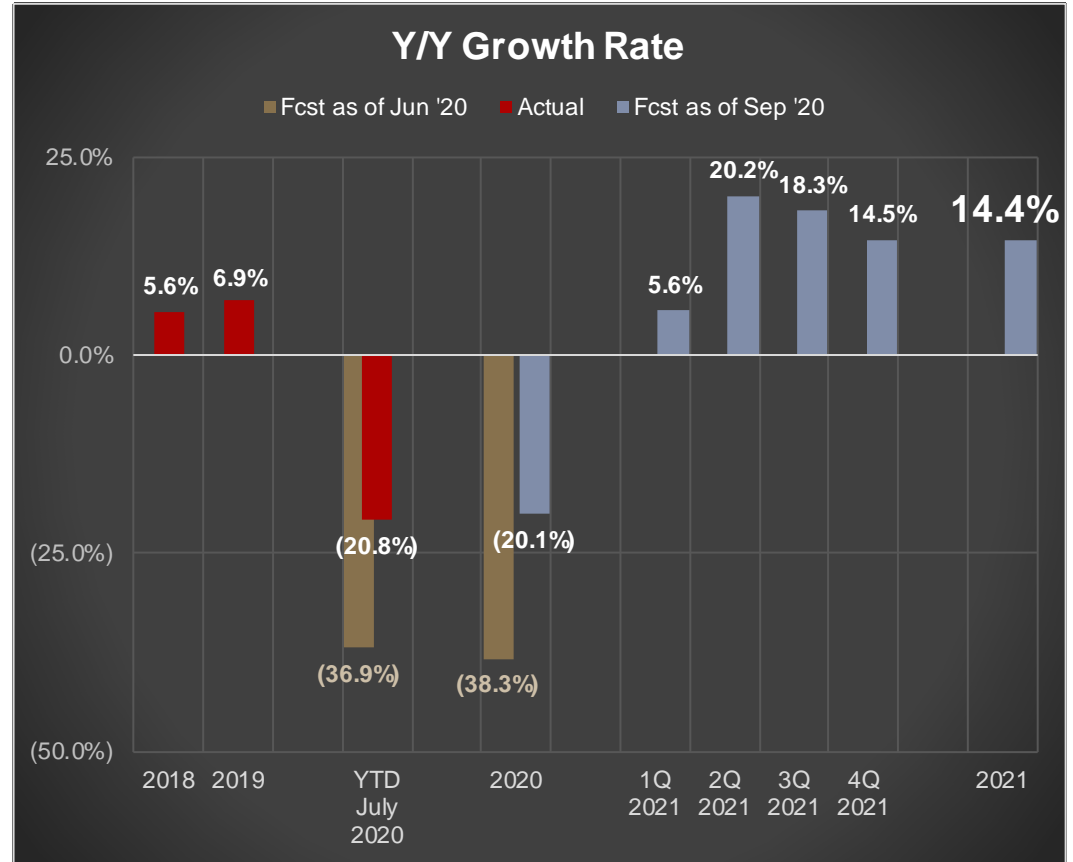
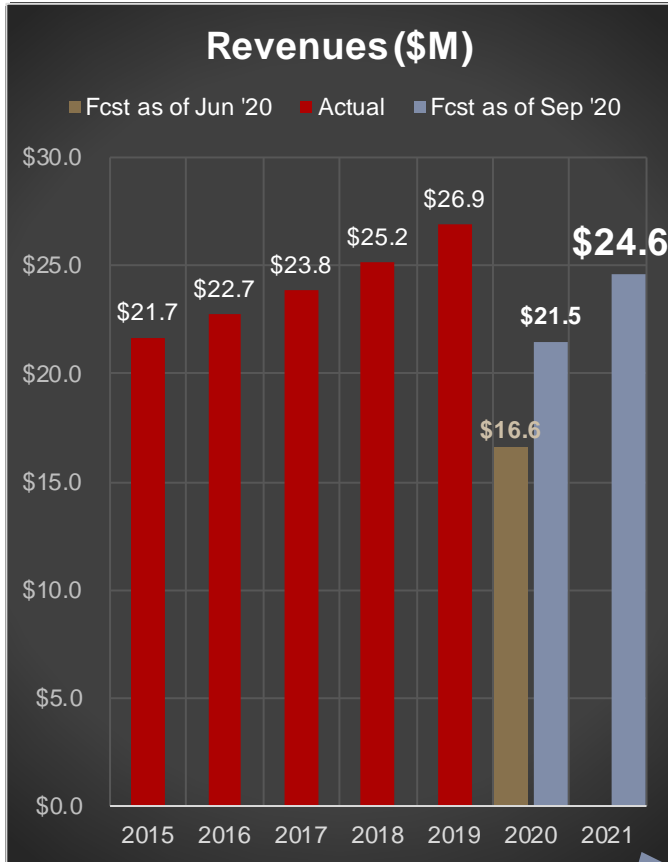


+2.7M vs. '20 Projection  
+2.5M vs. '20 Budget



# Restaurant Tax

(1% tax to TRCC Fund)

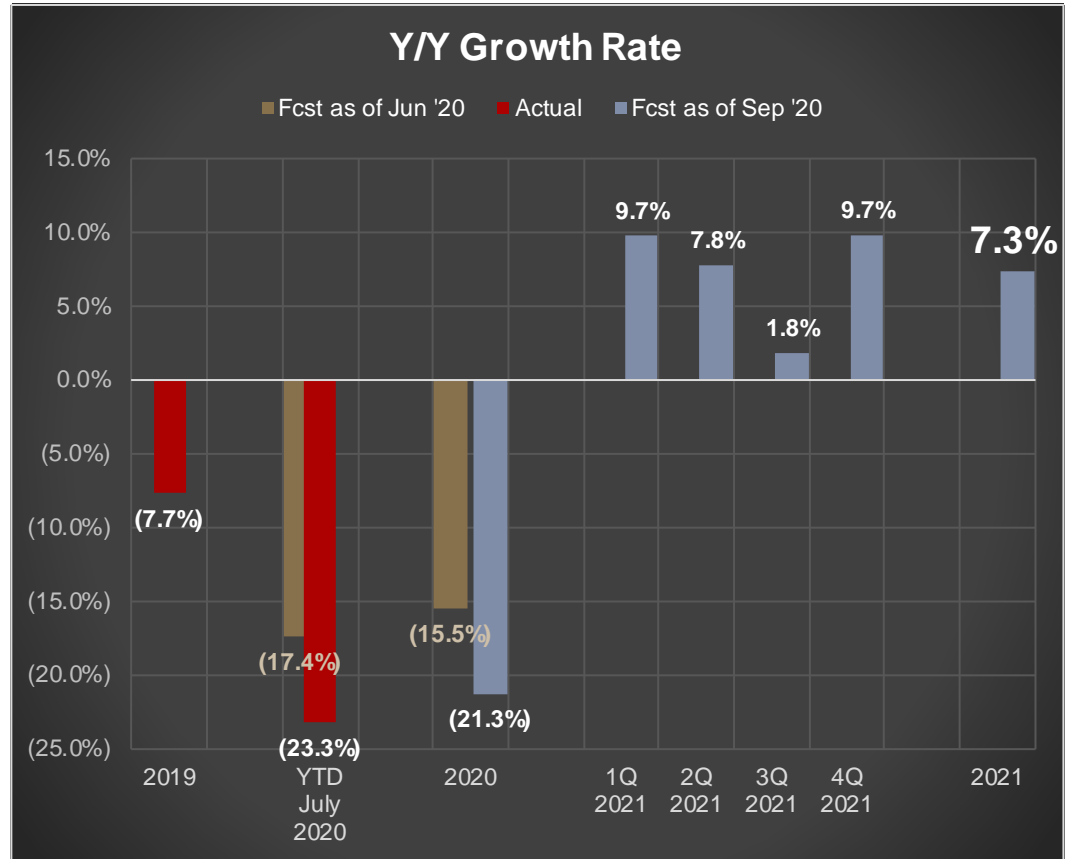
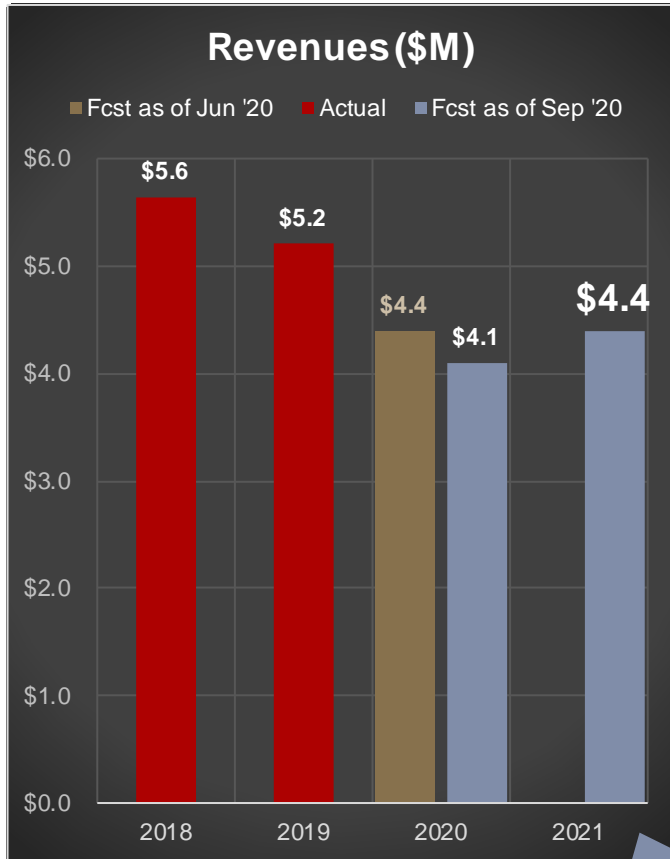


+3.1M vs. '20 Projection  
+8.0M vs. '20 Budget



# Local Option Sales Tax

(1% tax to Unincorporated Municipal Services Fund)



+0.3M vs. '20 Projection  
Flat vs. '20 Budget

\* The 2020 and 2021 Salt Lake County (unincorporated) Local Option sales tax projection excludes the estimated Brighton taxes due to incorporation effective 1/1/2020. Millcreek and Metro Townships were no longer included beginning April 2017 and July 2017, respectively.



# Motor Vehicle Fee-In-Lieu

<b>Fund (\$M)</b>	<b>2021 Budget</b>	<b>2020 Budget</b>	<b><i>Change</i></b>	
<b>General</b>	7.97	7.59	0.38	5.0%
<b>Flood Control</b>	0.29	0.27	0.01	5.0%
<b>Health</b>	0.65	0.62	0.03	5.0%
<b>Governmental Immunity</b>	0.09	0.09	0.00	5.0%
<b>Tax Administration</b>	1.27	1.21	0.06	5.0%
<b>Capital Improvements</b>	0.32	0.31	0.02	5.0%
<b>Clark Planetarium</b>	0.15	0.15	0.01	5.0%
<b>Library</b>	2.34	2.23	0.11	5.0%
<b>Bond Debt Service</b>	1.36	1.29	0.07	5.3%
<b>TOTAL</b>	<b>14.44</b>	<b>13.75</b>	<b>0.69</b>	<b>5.0%</b>



# 2021 New Growth Summary

Key Funds—Compared to 2020 Adjusted Budget

Fund (\$M)	Property Tax	Sales Tax	Motor Veh Fee In Lieu	Total New Growth
General	3.6	7.5	0.38	11.5
Flood Control	0.1		0.01	0.2
Health	0.4		0.03	0.4
Planetarium	0.1		0.01	0.1
Capital Improvements	0.2		0.02	0.2
Tax Administration	0.6		0.06	0.7
<b>Subtotal</b>	<b>5.0</b>	<b>7.5</b>	<b>0.51</b>	<b>13.0</b>
TRCC		10.7		10.7
Visitor Promotion		1.2		1.2
ZAP		0.9		0.9
Library	0.8		0.11	0.9
<b>Total</b>	<b>5.9</b>	<b>20.3</b>	<b>0.62</b>	<b>26.8</b>

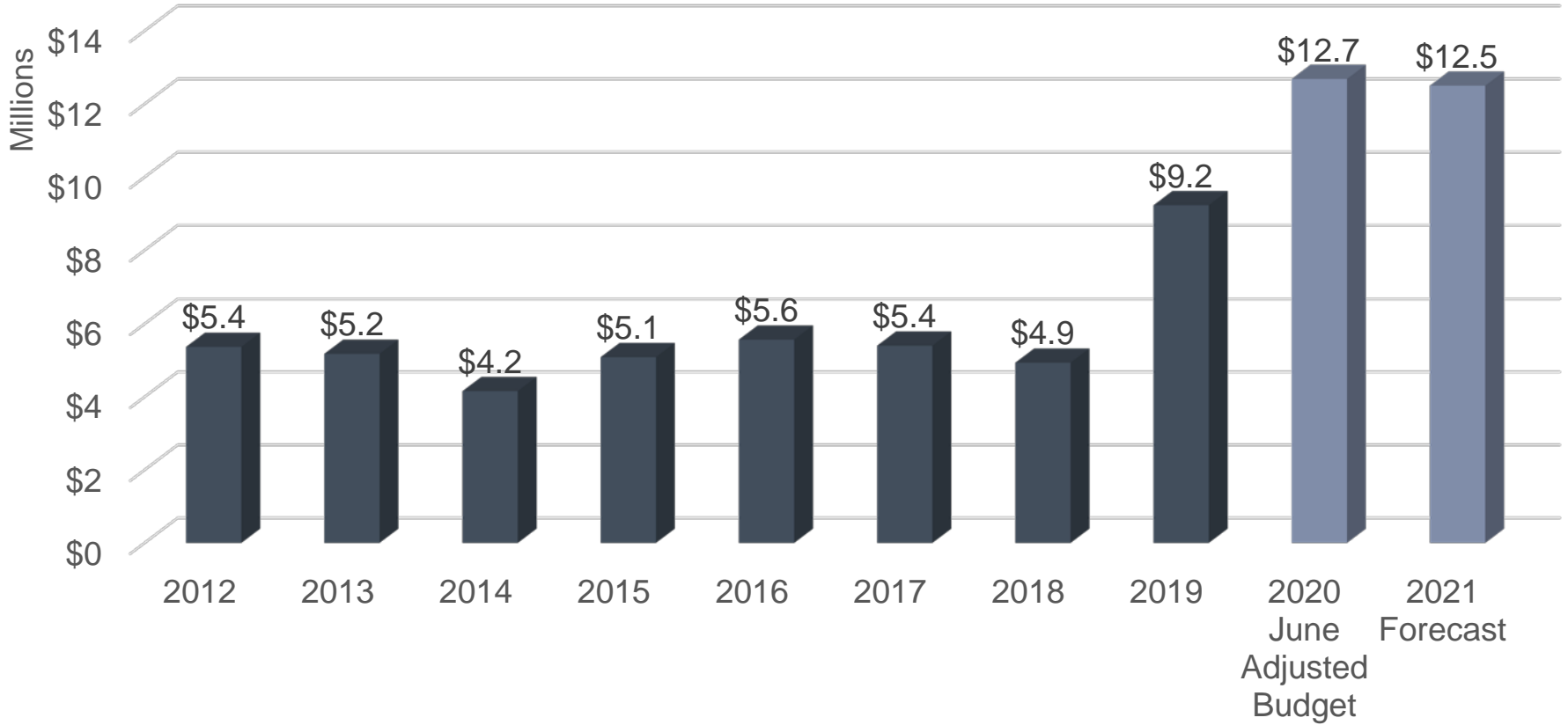
\* Excludes Debt Service Fund as well as funds that have immaterial amounts.



# RECORDER FEE REVENUES



# Recorder Revenue



HB 247 took effect on May 14, 2019 and has resulted in increased recording revenues.

# Revenue Summary

- New residential construction driving property tax new growth rate
- General and Restaurant taxes are much better YTD than forecasted in June due to stimulus
- Transient Room Taxes will likely have a more gradual improvement than previously forecasted
- Stimulus likely diminishing but economic indicators still positive