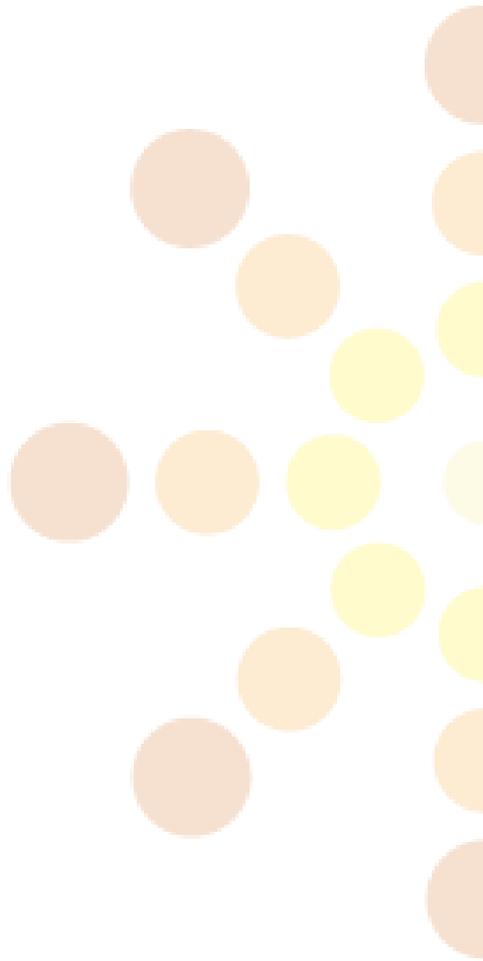




UTAH FOUNDATION

RESEARCH • ANALYZE • INFORM

Water and Property Taxes



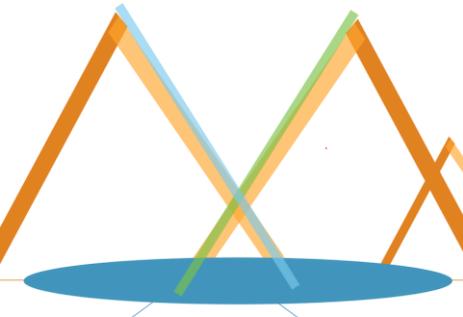
Water and Property Taxes - 4 parts



UTAH FOUNDATION
RESEARCH • ANALYZE • INFORM

HIGH AND DRY

The Water Funding Picture in Utah



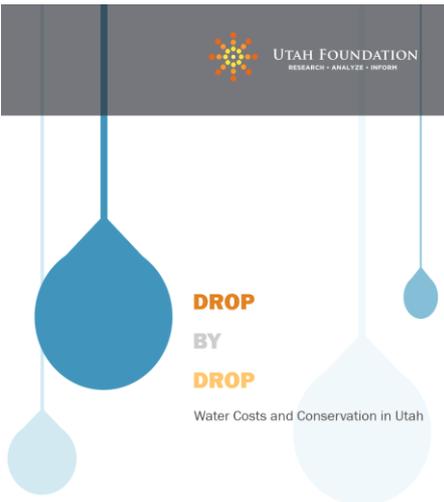
THE PAYING FOR WATER SERIES
PART I - AUGUST 2019



UTAH FOUNDATION
RESEARCH • ANALYZE • INFORM

DROP BY DROP

Water Costs and Conservation in Utah



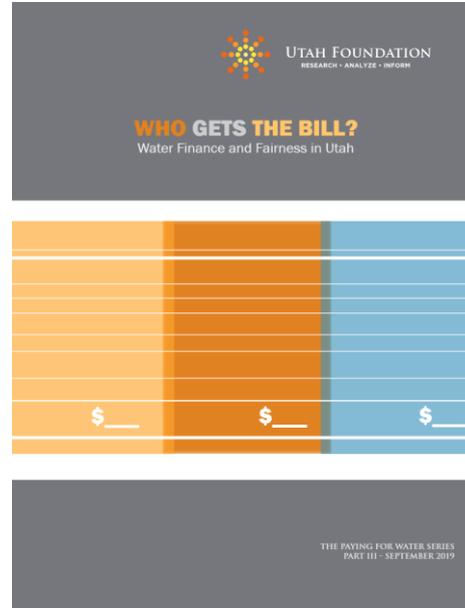
THE PAYING FOR WATER SERIES
PART II - AUGUST 2019



UTAH FOUNDATION
RESEARCH • ANALYZE • INFORM

WHO GETS THE BILL?

Water Finance and Fairness in Utah



THE PAYING FOR WATER SERIES
PART III - SEPTEMBER 2019



UTAH FOUNDATION
RESEARCH • ANALYZE • INFORM

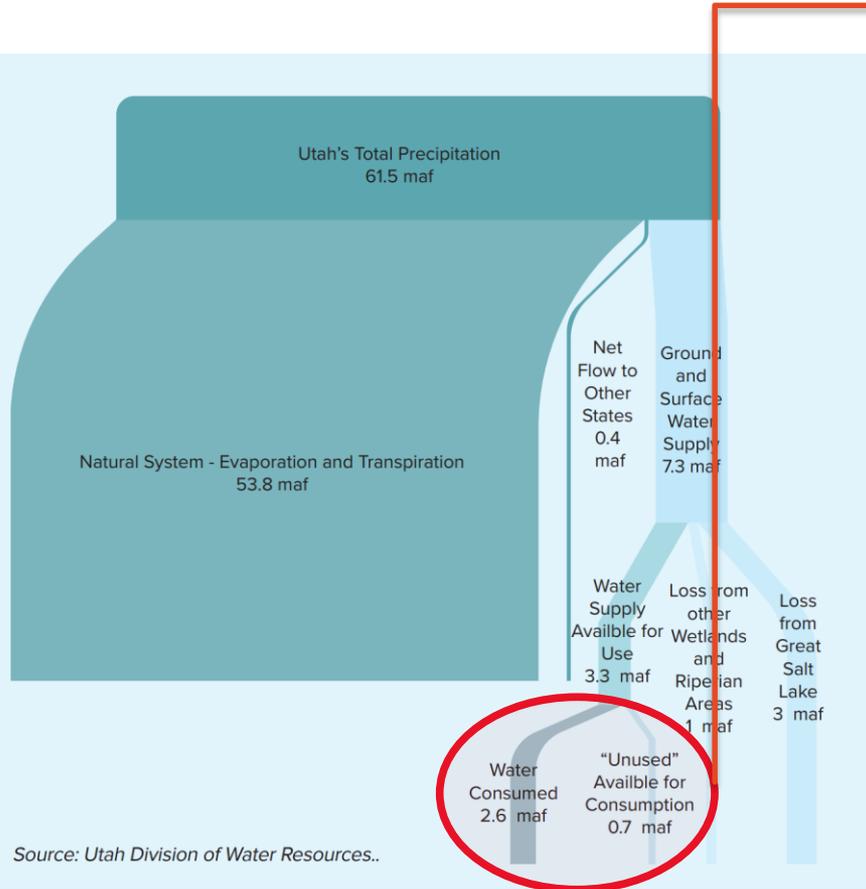
GETTING CLEAR ON WATER

Practical Considerations in the Tax Versus Fee Debate

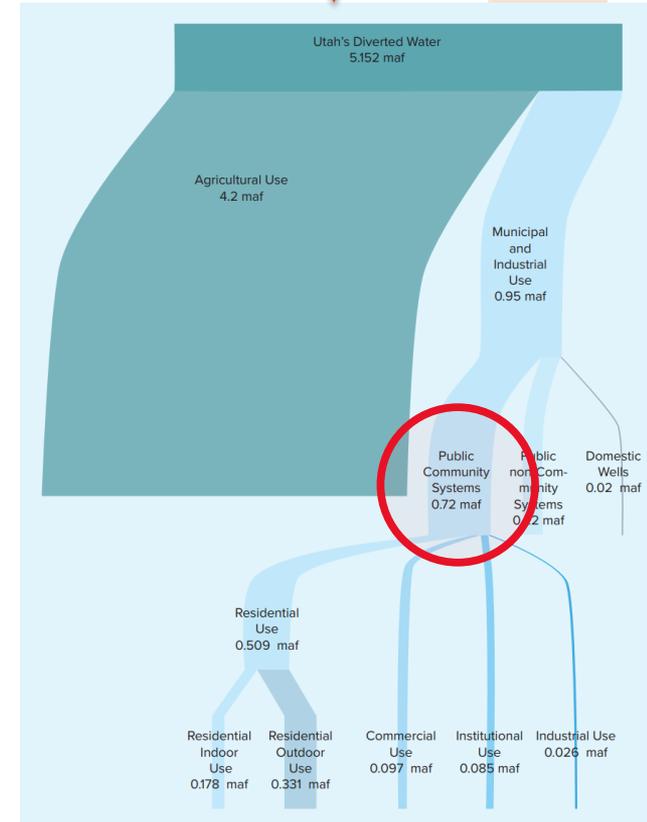


THE PAYING FOR WATER SERIES
PART IV - SEPTEMBER 2019

Focus on Public Community System



Source: Utah Division of Water Resources..



Wholesalers and Retailers



Photo Credit – Murray Foubister – CC BY-SA 2.0 -
<https://www.flickr.com/photos/mfoubister/8124258929/>

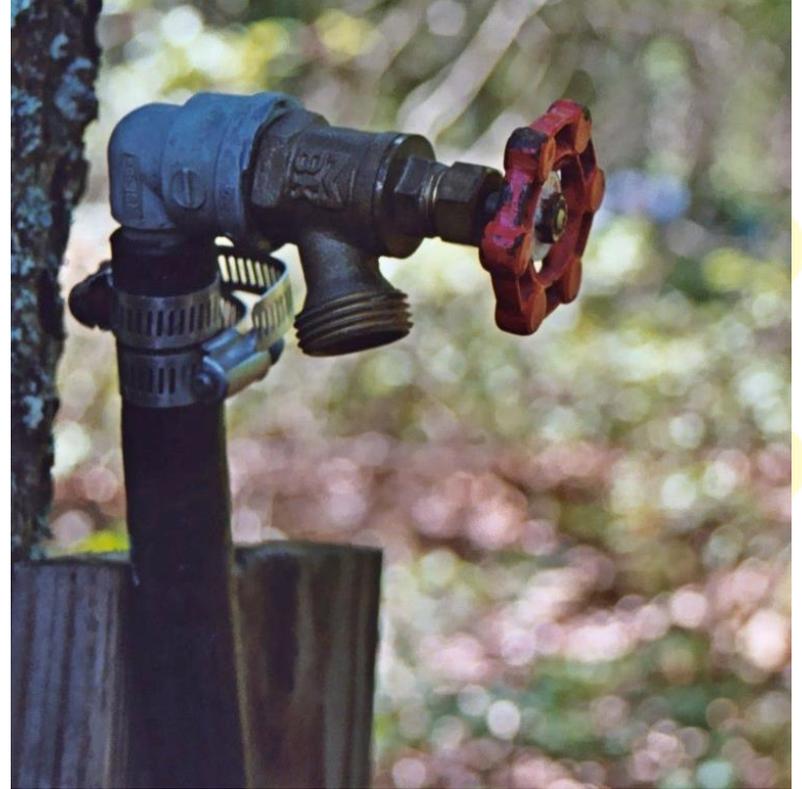
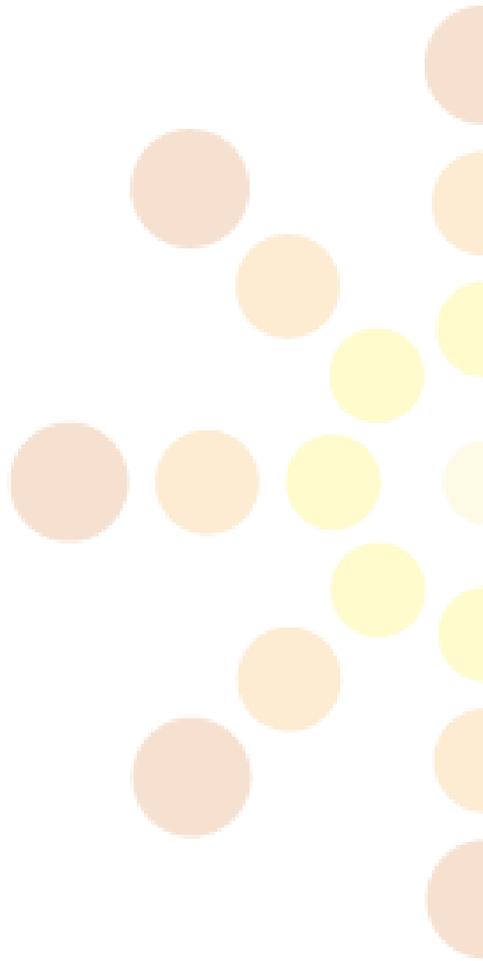
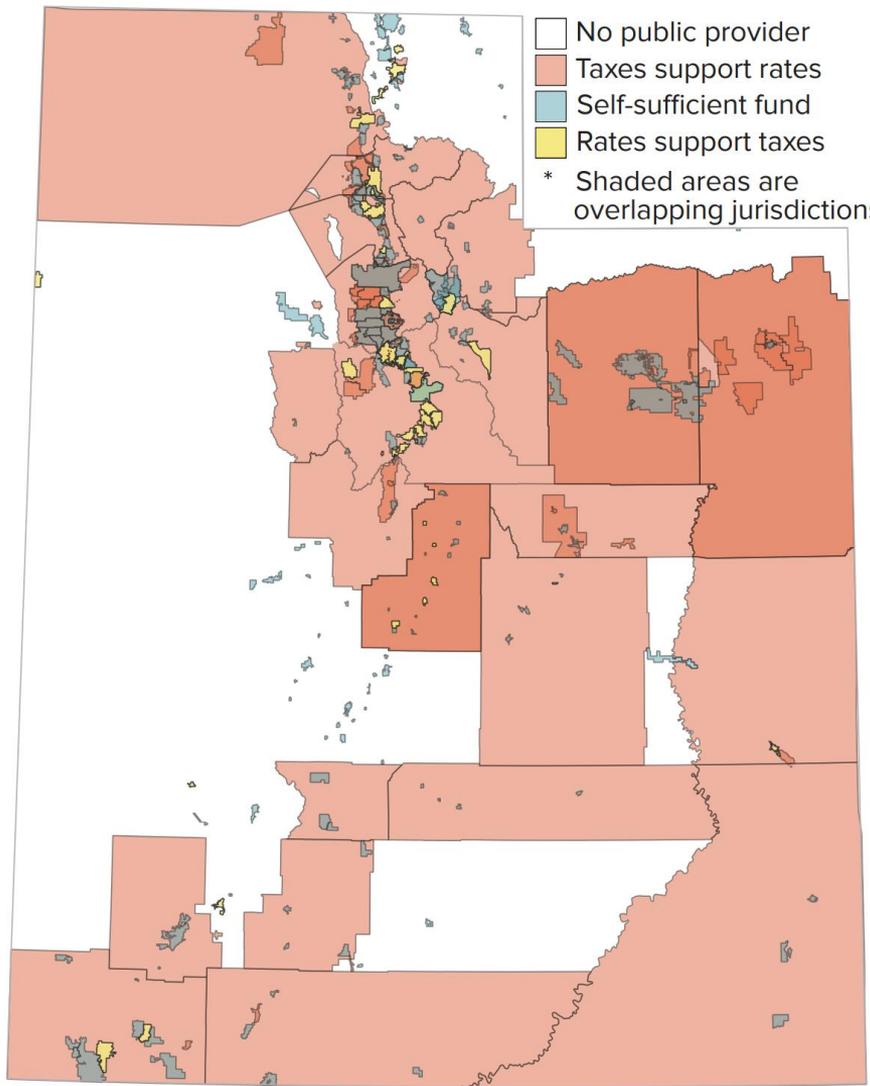


Photo Credit – rrmfstar – CC BY 2.5

Who Collects Property Taxes

Type of water provider	Water rates support taxes	Self-sustaining water rates	Taxes support water rates
City department	42	161	14
Improvement district	0	19	24
Water conservancy district	0	1	20
Metropolitan water district	0	3	3



Conservation – not directly tied to property taxes

When comparing water providers, there is no clear relationship between property tax revenues and water use.

Figure 1: Share of Water Provider Budget from Property Taxes by Water Use

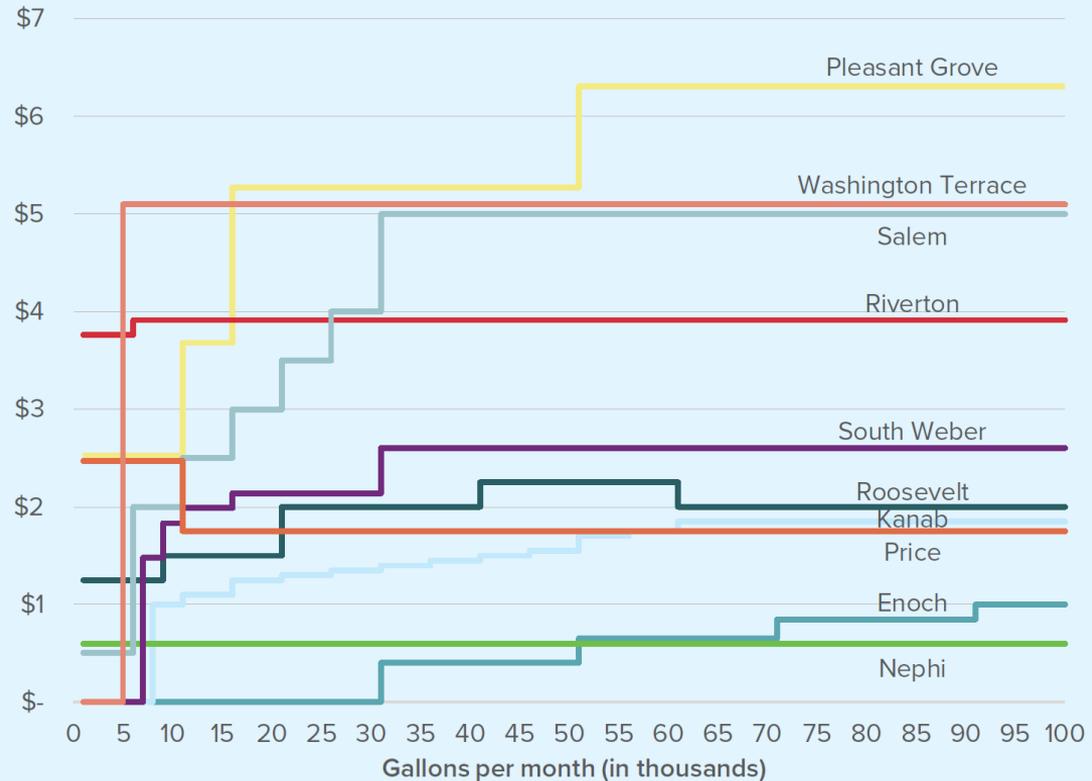


Source: Utah Division of Water Resources and Utah State Auditor. Utah Foundation calculations.

Conservation tied to rates

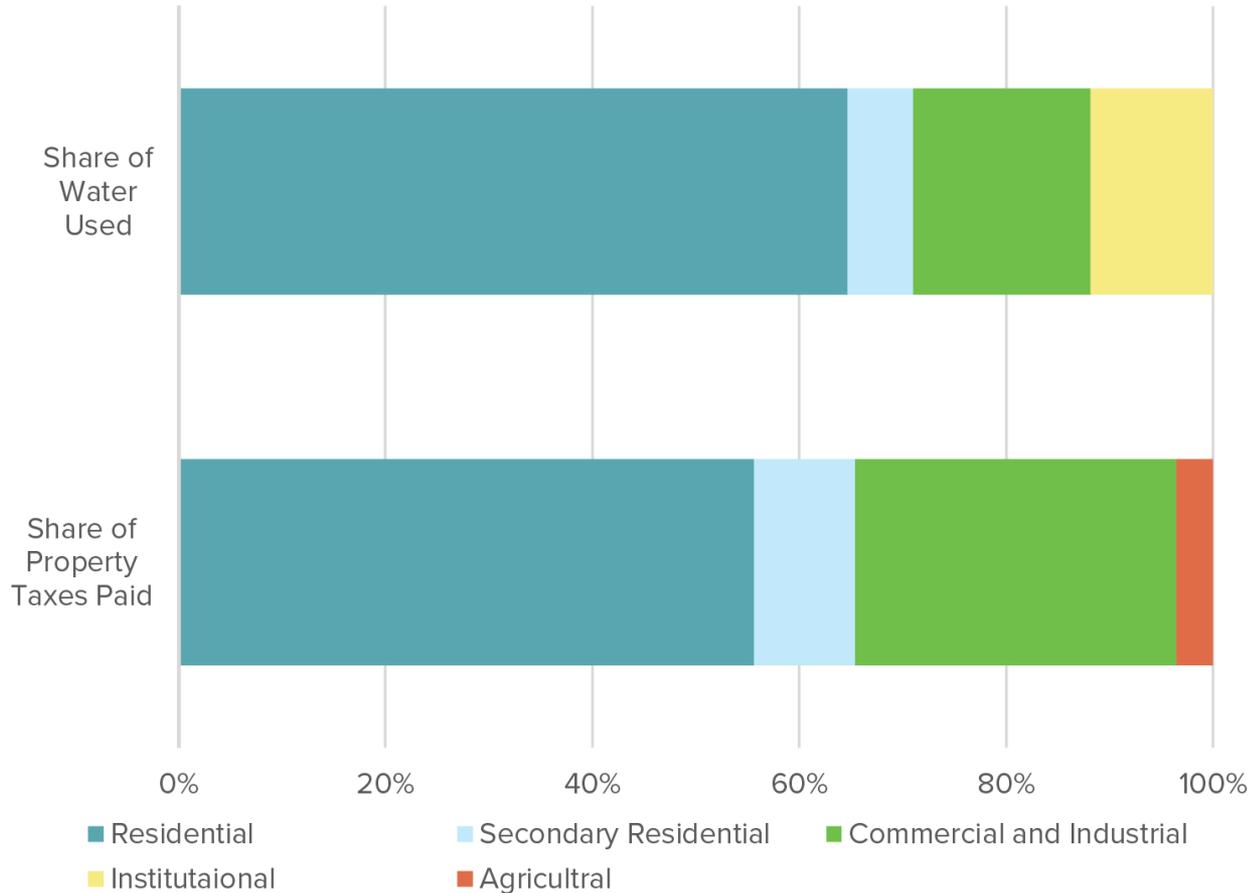
Selected tiered water rates demonstrate the variability among water providers' rate structures.

Figure 7: Tiered Water Rates for Select Water Retailers



Source: Governor's Office of Management and Budget.

Fairness and Water Use



Fairness – Services Provided



Water Delivery



Fire Flows



Water Storage



Flood Control

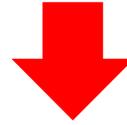


Endangered Species Protection/
Watershed Management

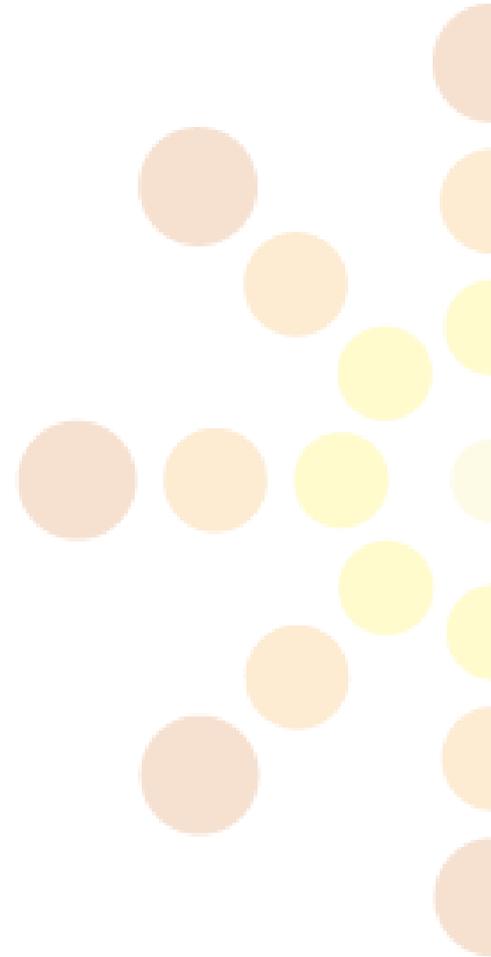


Revenue Stability

▶ 4%-6% decreases 2007-2011



▶ 5%-8% increase 2013-2017



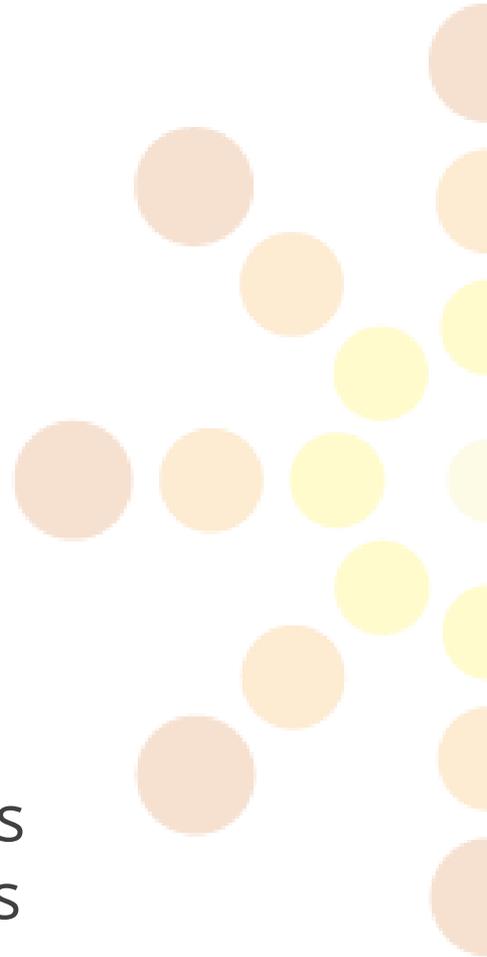
Cost of Water for Consumers

- ▶ Market Distortion
- ▶ Conservation
- ▶ Cost of Borrowing



A Higher Reliance on Water Rates May...

- ▶ Increased transparency – all the costs of water from a single source
- ▶ Reduce transparency of rate increases (when compared to property tax rate increase)
- ▶ Reduce the flexibility of diverse providers to use different tools to meet local needs



Rates or Taxes? – A lot of room for compromise

- ▶ Steeper tiers or water budgets to increase conservation
- ▶ Differential pricing for those who contribute differently
- ▶ Enterprise accounts to separate water and general services

- ▶ Water budgets to ensure cheap basic water
- ▶ Decoupling and reserves to stabilize water revenues
- ▶ Central bonding agency or guarantee to lower costs of borrowing



UTAH FOUNDATION

RESEARCH • ANALYZE • INFORM

