

A look at California municipal finance from the view of the taxpayer

You pay fees and taxes to government ... How much goes to cities and to counties? How do they spend it?

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A Field Guide to Local Governments

Cities

- ✓ general purpose
- ✓ essential frontline services tailored to needs of their communities
- ✓ are funded mostly by locally enacted revenues
- ✓ provide land use planning & control

Counties

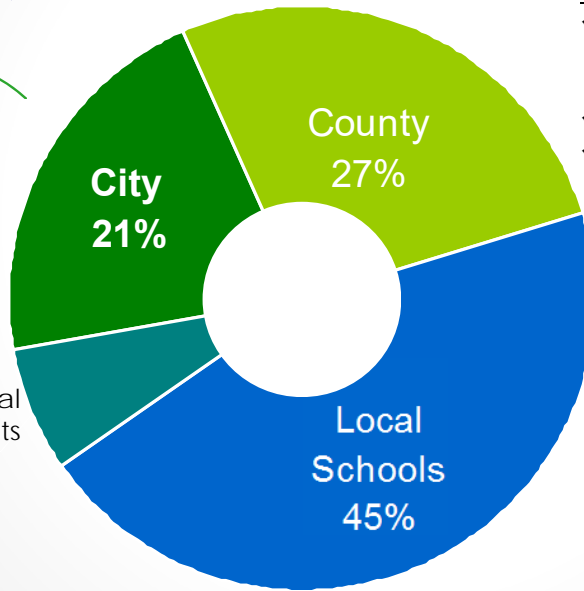
- ✓ Hybrid local/state
 - state/federal health & social svcs (CalWORKS, foster care, IHSS, etc.)
 - countywide local services (jails, courts, elections, indigent aid, etc.)
 - "city" services to unincorp. areas
- ✓ More mandates, less discretionary \$

Special Districts

- ✓ "dependent" / "independent"
- ✓ Enterprise: water, irrigation, sanitation
- ✓ & not: parks & rec, mosquito abtmt, fire
- ✓ many get a cut of the property tax



Where Your Property Tax Goes

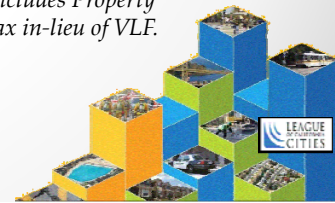


Shares Vary!

- ✓ Non-Full service cities: portion of city shares go to special districts (e.g. fire)
- ✓ Pre-prop13 tax rates
- ✓ Everyone gets Prop-Tax In Lieu of VLF shares – except new cities since 2004.

Typical homeowner in a full service city not in a redevelopment area.

Includes Property Tax in-lieu of VLF.



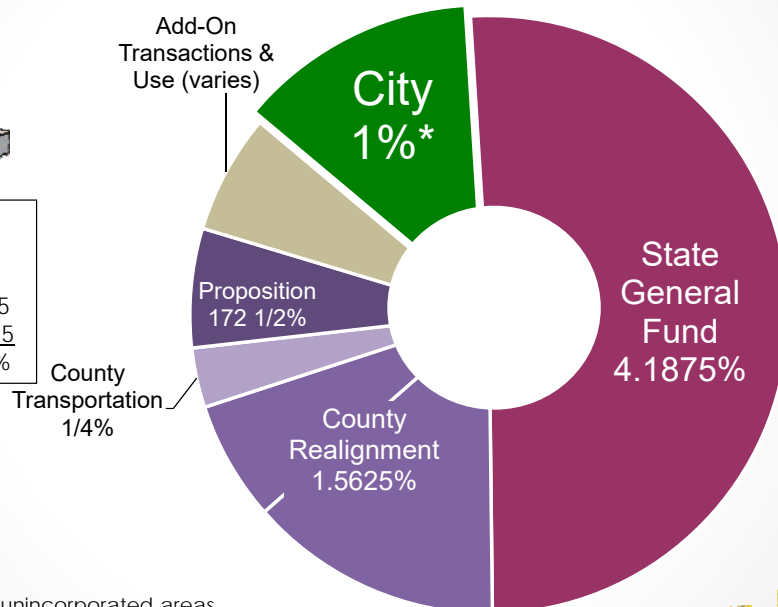
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Source: Author's computations from Board of Equalization and State Controller data.

Where Your Sales Tax Goes



City*	1.00
Co Transp	0.25
Prop172	0.50
Co Realign	1.5625
State GF	3.9375
Total Base	7.25 %



* For taxable sales in unincorporated areas, the local 1% rate goes to the county.

** Does not include the temporary 1/4% Prop30 state sales tax which expires 12/31/2016

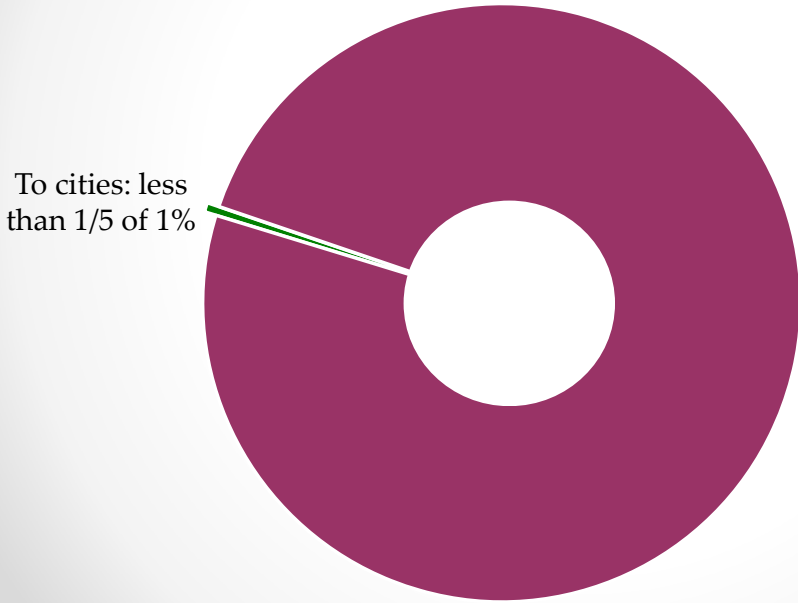
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State General Revenues

including state income tax, state sales tax

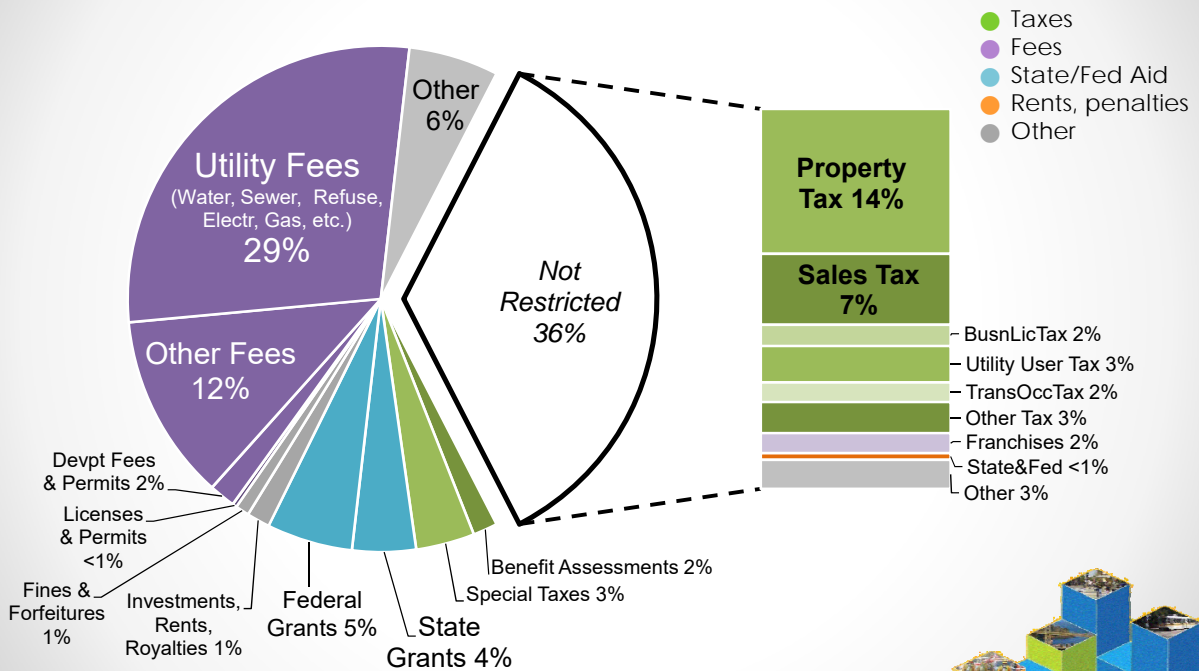
How much goes to your city?



Major programs supported by state general funds include schools, colleges, health & human services, prisons, tax relief, courts.



California City Revenues

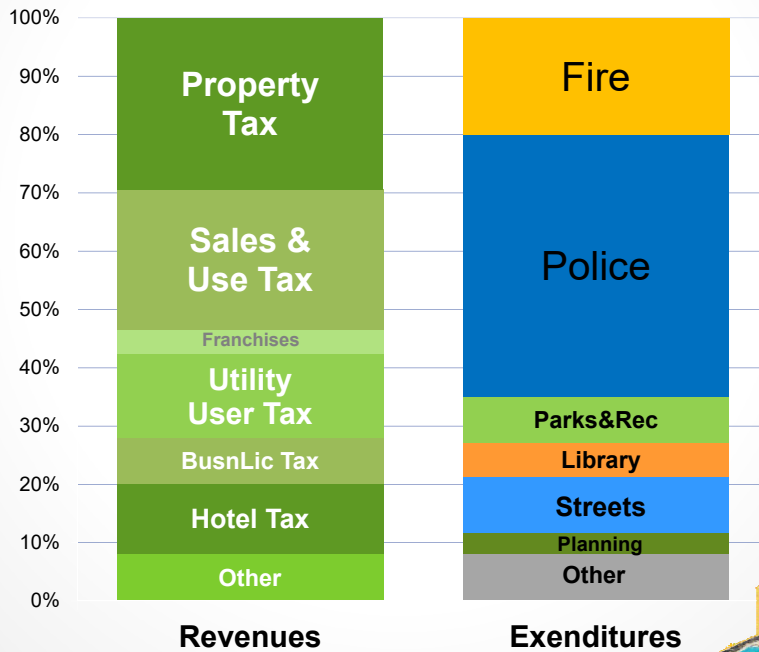


Source: Author's computations from data from California State Controller.



Discretionary Revenues and Spending

Typical Full Service City



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Source: Author's computations from State Controller reports



The Value of City Services

The average city resident pays \$53.25 per month for city services. (not including fee-funded public utilities such as water, sewer, flood control and garbage collection provided by many cities)

\$53.25 pays for one of these:

- One month of cable TV service
- Two or three hardback books
- One month at the gym
- Three compact disks
- Dinner for two
- Movie and snacks for a family of four

\$53.25 pays for all of these:

- 24 hour police and fire protection
- Well-groomed parks and trees
- Safety lighting for streets
- Community events
- Community economic development
- Paved and maintained city streets
- Community library system
- A well-planned, zoned community
- Professional management of a citizen's tax investment in the community

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