
GLOSSARY OF TERMS

A

AB 8 - The 1979 law that allocates property tax revenues to local agencies and schools based on their historical (pre-Proposition 13) share and allocates the growth in property tax revenue based on where the development occurred.

Ad Valorem - According to value. The property tax is an ad valorem tax, based on the assessed value of the property. Proposition 13 requires assessed values to reflect a property's acquisition value, not its current value in the real estate market.

Air Pollution Control District (APCD) - Countywide regulatory agency responsible for a countywide air quality plan. The 21 APCDs regulate stationary (as opposed to mobile) sources of air pollution similar to AQMDs.

Air Quality Maintenance Area (AQMA) - A federally-designated area within which air quality plans must be prepared outlining how federal air quality standards will be met.

Air Quality Management District (AQMD) - A regulatory agency responsible for state-required air quality planning. An AQMD can cover more than one county. The 14 AQMDs regulate stationary (as opposed to mobile) sources of air pollution similar to APCDs.

Air Quality Plan - A plan prepared to meet federal mandates that require AQMAs to demonstrate how they will meet federal air quality standards.

Airport Land Use Commission (ALUC) - A regulatory agency required by state law in each county that has a public use or air carrier airport. An ALUC plans for compatible land uses in areas affected by airport operations and noise, to ensure the safety of people on the ground, and to allow the expansion of the airport.

Allocation - A statutory method for distributing revenues among local agencies within a county. For example, county auditors allocate property taxes to cities, special districts, schools, redevelopment agencies, and the county government itself.

Americans with Disabilities Act (ADA) - The 1990 federal law that guarantees equal rights to disabled persons by prohibiting specified employers (e.g., state and local governments) from discriminating against qualified applicants and employees based on disability. The Act requires covered employers to provide physical access for job applicants and employees and to operate each service, program, or activity in existing facilities in a manner which, when viewed in its entirety, is readily accessible to and usable by persons with disabilities.

Areawide Planning Organization - The federal term for a council of governments or an organization that prepares plans for an area that includes more than one jurisdiction.

Assessment Roll - The countywide list of all taxable property. It identifies each property, its owner, and its value for assessment purposes.

GLOSSARY OF TERMS (CONT.)

B

Base Year Value - The full cash value of real property in 1975-76, or in subsequent years upon change in ownership, new construction or inflation. Under Proposition 13, the inflation rate can be no more than 2% a year.

Benefit Assessment - An involuntary charge imposed on a property owner to pay for public works or services that directly benefit the owner's property. Proposition 218 requires benefit assessments to have approval by weighted-ballot elections of the affected property owners. Benefit assessment districts are areas in which benefit assessments are imposed. Benefit assessment districts are not separate government agencies; they are a financing tool to pay for improvements and services.

Bonds - Long-term debt instruments issued by state and local governments and backed by identified streams of revenue. For example, a county can finance a new parking garage with revenue bonds paid by the parking charges. Local general obligation bonds are paid off by higher property tax rates, beyond the 1% set by Proposition 13. The California Constitution requires 2/3 voter approval of some local bonds, including general obligation bonds.

Booking Fees - State law allows counties to charge booking fees to cities, special districts, school districts, colleges, and universities to recover costs incurred in processing or booking persons arrested by those agencies into county jails. The fees may not exceed actual costs plus overhead. The 2004-05 state budget prohibits counties from increasing their booking fees in 2004-05. Beginning in 2005-06, counties may impose booking fees to offset 50% (rather than all) of their administrative costs associated with booking and processing arrestees.

Bradley Burns Uniform Local Sales and Use Tax - The statewide sales tax includes a 1 1/4% dedication to the Bradley Burns tax (of which 1/4% is earmarked for county transportation purposes and 1% is split between cities and counties for general purposes). It is important to note that of this amount, 1/4% is dedicated to the "triple flip" method of repaying the California debt recovery bonds. Local governments are fully reimbursed for this expense.

Brown Act - The 1954 Ralph M. Brown Act requires local governments' meetings to be "open and public." The Brown Act applies to county boards of supervisors, their committees, and commissions.

Business License Tax - Counties and cities can levy taxes on businesses; cities within their city limits, and counties only in unincorporated areas. Some business license taxes are flat amounts, others tax gross receipts. Majority voter approval is needed for business license taxes that are "general taxes," but 2/3 voter approval is required for "special taxes."

C

California Consumer Price Index (CCPI) - A measure of inflation calculated by the state Department of Industrial Relations.

California Environmental Quality Act (CEQA) - The state law that requires environmental review of public and private projects undertaken or approved by the state or local agencies.

California Uniform Retail Food Facilities Law (CURFFL) - Authority for local retail food sanitation enforcement.

California Work Opportunity and Responsibility to Kids Act (CalWORKs) - A federal-state funded program providing income support, childcare, and employment services to indigent families with children. Aid for adults is limited to five years.

Capital Expenditures - Expenditures for public works such as buildings, roads, airports, equipment, and land.

Certificate of Participation (COP) - Funding mechanism used by local agencies and schools for capital improvements. Not technically debt, COPs do not need voter approval.

Certified Unified Program Agency (CUPA) - Local agency with delegated authority to administer six hazardous materials/waste programs.

Charter Counties - The California Constitution allows counties to adopt a charter to govern their own governing board membership and county officers and employees. There are 14 charter counties.

Citizens' Option for Public Safety (COPS) - The COPS program was created in 1996 to provide state grants to local law enforcement mostly for personnel and equipment. The program was expanded in 2000-01 to include funding for local juvenile justice programs. The 2004-05 state budget includes \$100 million to continue the COPS program. The program provides discretionary funding on a per capita basis to local police departments and sheriffs for front line law enforcement (with a minimum guarantee of \$100,000), to sheriffs for jail services, and to district attorneys for prosecution.

Community Care Facility - Any facility which provides nonmedical residential care, day care, or home finding agency services to children or adults and which is licensed by the state Department of Social Services (DSS). DSS licenses most of these facilities directly, but also contracts with county welfare departments to license family day care facilities and foster family homes.

Congestion Management Program (CMP) - Counties with an urbanized area of over 50,000 residents must adopt a CMP that evaluates the effects of development on local roads and requires mitigation if service levels goes below standards. The money for transportation improvements comes from state gas taxes under Proposition 111.

GLOSSARY OF TERMS (CONT.)

Cortese-Knox-Hertzberg Act - The state law that governs city and special district boundaries and created Local Agency Formation Commissions (LAFCo) in every county.

Council of Governments (COG) - A voluntary confederation of counties and cities that prepares areawide or regional plans. COGs release regional housing needs analyses every five years to guide counties and cities in revising the housing elements of their general plans. Nearly all COGs are Joint Powers Authorities (see “JPA”).

County Service Area (CSA) - An area within a county consisting of any or all parts of the unincorporated area of a county established to provide extended governmental services within the area. The formation of a CSA must be approved by LAFCo. Typical services provided by a CSA included extended police and fire protection, park and recreation programs, libraries, street lighting, water and sewer facilities, and garbage collection.

Credit - An amount which can be subtracted from the actual amount of tax owed, usually in the income tax. Credits are tax expenditures aimed at benefiting specific groups (e.g., renter’s credit) or inducing certain behavior (e.g., manufacturer’s investment tax credit).

D

Deferral - Postponement of paying taxes because of specific provisions in the tax law. For example, the Senior Citizens Property Tax Postponement Program allows low and moderate income senior citizens to delay payment of property taxes until they sell their home, die, or move. Any deferred taxes become a lien on the taxpayer’s home.

E

Economic Recovery Bonds - See “Proposition 58.”

Educational Revenue Augmentation Fund (ERAF) - An accounting device that shifts property tax revenues from cities, counties, and special districts to schools and community colleges in every county. To solve its own budget problems in the early 1990s, the state mandated a diversion of property tax revenues from counties, cities, and districts and sent the money to school districts and community college districts. The ongoing ERAF shift saves the State General Fund an equivalent amount of money. In 2003, the shift equaled more than \$5 Billion. Proposition 1A (2004), protected existing local revenues from future state raids, but left prior shifts intact.

Environmental Impact Report (EIR) - A formal document prepared under CEQA for private development projects and public works. If a project may have significant adverse environmental effects, public officials must prepare an EIR. The EIR must identify feasible alternatives and mitigation measures and respond to public comment. Also see “Negative Declaration.”

Estate Tax - A tax on the right to transfer property upon the death of the owner. California's estate tax, equal to a computed portion of the federal tax, was phased out between 2001 and 2004, and is now entirely repealed.

Excise Tax - Generic term for a levy on the manufacture, sale, or use of a particular commodity or service (e.g., liquor, cigarettes, or telephone services).

F

Fair Political Practices Commission (FPPC) - The state commission that administers the Political Reform Act.

Federal Implementation Plan (FIP) - The federal Clean Air Act requires states to clean up dirty air basins. If state clean-up measures don't meet U.S. EPA's deadlines, the federal government can impose its own clean-up plan, called a federal implementation plan, in addition to state efforts.

Fee - See "Sinclair Decision"

Fiscal Year (FY) - The 12-month period used for budgeting, accounting, or tax collection purposes. The fiscal year for the state and most local governments is July 1 to June 30. The federal fiscal year runs October 1 to September 30.

Force Account Limit - The statutory dollar amount over which a county must use private labor rather than perform the work with county employees, their own "forces."

G

Gann Limit - See "Revenue Limit" and "Proposition 4."

General Plan - State law requires each county and city to adopt a general plan to guide their future growth. Each general plan must contain seven mandatory elements: land use, circulation, housing, conservation, open-space, noise, and safety, plus other subjects depending on their location (e.g., local coastal plan).

General Tax - A tax is a "general tax" when the revenues go into the general fund and are not dedicated or restricted to a specific use. The California Constitution requires majority voter approval to levy a general tax. Also see "Special Tax."

Geographic Information System (GIS) - An information system that uses data referenced by spatial or geographic coordinates. Composed of maps, databases, and point information, GIS programs are increasingly popular ways to review land use and public works decisions.

Gross Receipts - Total amount of the sale upon which the sales and use tax is based.

GLOSSARY OF TERMS (CONT.)

H

Homeowners' Exemption - The California Constitution exempts the first \$7,000 of a principal residence from property taxation. The benefit to the taxpayer is a tax reduction of approximately \$70. The state must reimburse local losses due to the exemption.

I

Immigration Reform and Control Act of 1986 (IRCA) - The federal law that authorized a general amnesty for illegal aliens already in the country, making eventual citizenship available.

Income Tax - The personal income tax is a progressive tax based on income and levied at rates between 1% and 9.3%. The corporate tax is levied at a rate of 8.84%

Indexing - The method by which tax rates, brackets, exemptions, or benefits are automatically adjusted for inflation. For example, state income tax brackets are indexed annually to keep up with inflation.

Inheritance Tax - A generic term for a tax, usually progressive in nature, levied upon the value of property which individual beneficiaries receive from an estate of a deceased person. California's inheritance tax was repealed by the voters in June 1982 and replaced with a limited estate tax (see "Estate Tax"), which has now been repealed by act of Congress.

J

Joint Powers Authority (JPA) - A voluntary confederation of public agencies with a shared purpose. The Joint Exercise of Powers Act allows two or more public agencies (federal, state, or local) to join together to jointly provide any service or facility that the individual agencies can provide.

L

Lanterman-Petris-Short Act of 1967 (LPS) - One of two acts which provide the basis for California's community mental health program. LPS deals with client evaluation, involuntary detention, and conservatorship for the mentally ill. The Short-Doyle Act details the planning, administration, and financing of community mental health programs.

Levy - The imposition of a tax or a proposed law that changes the base or rate of a tax. Also refers to the amount of the tax imposed.

License Tax - A tax on the right to do something, such as the sale of liquor, hunting license, or the right to operate a business.

Lien - A claim on property to satisfy a just debt. Unpaid taxes can become a lien against property.

Lien Date - The time when the taxes become a lien on property and the date on which property is valued for tax purposes. Property taxes become a lien at 12:01 a.m. on the January 1 preceding the fiscal year.

Local Agency Formation Commission (LAFCo) - The state-created commission that regulates the boundaries of cities and special districts in each county as well as the incorporation of new cities, or formation, reorganization or changes of powers of special districts. Most LAFCOs have seven members: two county supervisors, two city representatives, two special district representatives, and a public member.

Local Assistance - Portion of the state budget devoted to intergovernmental expenditures and shared taxes. State operations and capital outlay comprise the remainder of the state budget.

M

Maintenance of Effort (MOE) - Local governments are required to maintain a level of service or funding in order to receive certain state funds. If the county spends less than the MOE level of funding, it cannot receive funds from such sources as Proposition 99 and Proposition 172. MOE levels are set statewide and are typically based on a county's historical expenditure in a given year.

Market Value - Full, fair market value. Equals "full cash value" for Proposition 13 purposes in the property's "base year."

Mello-Roos Act - The Mello-Roos Community Facilities Act lets cities, counties, special districts, and school districts levy special taxes to pay for a wide variety of improvements and services. Local officials can use Mello-Roos tax revenues to fund services, such as police protection, flood control, and ambulance services, or as a revenue stream for bonds to build facilities like libraries, schools, and highway interchanges. Mello-Roos Act special taxes require 2/3 voter approval.

Meyers-Milias-Brown Act - The state law that requires local officials to meet and confer with their employees' recognized employee associations.

Minute Order - An entry in the minutes of the Board of Supervisors that records the passage of a motion. Minute orders are typically used in place of resolutions to address matters not requiring a formal resolution (e.g., approving a contract or disposing of procedural matters such as continuance of hearing). The term also refers to an excerpt from board minutes that recites the action of the Board on a matter.

GLOSSARY OF TERMS (CONT.)

N

National Environmental Policy Act (NEPA) - The federal law that is similar to CEQA.

Negative Declaration - A short document prepared under the CEQA on private development projects and public works. If a project will not result in significant adverse environmental effects, public officials issue a Negative Declaration instead of an EIR. Also see “Environmental Impact Report.”

O

Ordinance - A local law passed by a Board of Supervisors, or by its voters, as a written declaration of a county’s legislative policy. An ordinance is the highest expression of a county’s legislative power and must be based upon statutory or constitutional authority.

Omnibus Budget Reconciliation Act (OBRA) - Federal legislation to implement budget targets by making reductions in specific programs. May contain significant policy changes.

P

Per Capita - Amount per individual (e.g., taxes, income, expenditures); total amounts are divided by the population of the jurisdiction.

Political Reform Act (PRA) - The state law, adopted by an initiative, that requires disclosure of campaign finance information and conflicts of interests, regulates lobbyist influence, and created the FPPC.

Property Tax - An ad valorem tax imposed on real property (land and permanently attached improvements such as buildings) and on personal property (business equipment, boats, aircraft). Proposition 13 limits property taxes to one percent of the acquisition value. See “Proposition 13.”

Proposition 1A - The 2004 ballot measure (constitutional amendment) that significantly reduced the state’s authority over major local government property tax and sales tax revenues.

Proposition 4 (Gann Limit) - The initiative constitutional amendment that limits the amount of tax revenues that the state and local governments can spend. See “Revenue Limit.”

Proposition 10 - The 1998 initiative statute creating the California Children and Families Program, funded by higher tobacco taxes. Each county Board of Supervisors appoints a County Children and Families Commission to distribute the tax money to children’s health programs.

Proposition 13 - The 1978 initiative constitutional amendment that limits property taxes to 1% of acquisition value, restricts property assessment values, and limits new taxes.

Proposition 36 - The 2000 initiative statute that requires treatment rather than incarceration for certain non-violent drug offenders.

Proposition 57 - The 2004 bond issue in which voters authorized the issuance of up to \$15 billion of Economic Recovery Bonds (ERB) to fund the accumulated state budget deficit. Contingent on the passage of Proposition 58. To repay ERBs, state law imposed the “triple flip,” a dedicated 1/4% of the Bradley Burns Uniform Sales and Use Tax. This cannot be reduced as long as the bonds are outstanding.

Proposition 58 - The 2004 constitutional amendment that requires a balanced budget, and establishes a budget reserve. This proposition did not change the revenue limit requirements (see “Revenue Limit” and “Proposition 4”).

Proposition 62 - The 1986 initiative statute that requires voter approval for local special and general taxes.

Proposition 98 - The 1988 initiative constitutional amendment that set a minimum level of state funding for schools and community college districts.

Proposition 99 - The 1988 initiative constitutional amendment that levied a higher tax on cigarettes and other tobacco products. The tax revenues go for treatment, research, health evaluation, fire prevention, and environmental conservation.

Proposition 111 - The 1990 legislative constitutional amendment that raised the state’s gas tax, modified the Proposition 4 spending limit and the Proposition 98 school funding formula.

Proposition 172 - The 1993 legislative constitutional amendment that dedicated 1/2 cent sales tax for local public safety purposes (e.g., police, sheriff, fire, district attorney).

Proposition 218 - The 1996 initiative constitutional amendment that requires voter approval for local taxes, assessments, and property-related fees.

Public Library Foundation (PLF) - The Public Library Foundation allocates state funds to local public libraries for the provision of basic library services, such as maintaining service hours and purchasing books.

Public Records Act - The state law that requires public access to public records, with limited exceptions.

Public Works - The physical structures and facilities developed or acquired by public agencies to provide water, waste disposal, transportation, and flood control; sometimes called “infrastructure.”

GLOSSARY OF TERMS (CONT.)

R

Redevelopment - Recent changes in law dissolved redevelopment agencies which cities and some counties established to eliminate blight, using property tax increment revenues.

Revenue Anticipation Notes (RANs) - RANs let local officials borrow money based on their anticipated revenue receipts to solve cash-flow problems. Local officials repay RANs with various revenues collected during the fiscal year.

Real Property - Land and permanently attached improvements such as buildings. Does not include “personal property” such as furniture, equipment, and business inventories.

Regulation - A guide for conduct, adopted to administer or implement county ordinances or state or federal law. Counties administer state or federal regulations when managing state or federal programs.

Resolution - An action by a Board of Supervisors taken by adoption of a formal document. Resolutions can: (1) summarize the Board proceedings and state the findings and decisions of the Board; (2) express the opinions of the Board on matters of county concern; or (3) honor people or events through proclamations. Resolutions memorialize Board actions in a more formal and detailed way than minute orders.

Revenue Limit - A constitutional limit on the increase in the total amount of revenue that the state or a local government can spend from one year to the next. Sometimes called a “Gann Limit” (see “Proposition 4”).

Roll-Over - The ability to defer taxes by reinvesting certain sums (e.g., pension disbursements) or gains in comparable assets.

S

Sales Tax - A retail tax imposed on all retailers for the privilege of selling tangible personal property. The 7 1/4% state sales tax is allocated as follows: 5% state sales tax dedicated to the General Fund; 1/2% state tax (Local Revenue Fund) dedicated to local governments for healthcare, mental health, and social programs administered at the local level; 1/2% state tax dedicated to local public safety services; and 1 1/4% Bradley-Burns Uniform Local Sales and Use Tax allocated to cities and counties (1/4% of this tax is dedicated to the repayment of economic recovery bonds). Counties, cities, and special taxing districts (e.g. transportation districts), through a “transaction and use tax,” can also levy a tax ranging from 1/8% to 2%. This additional tax is dedicated to the city, county, or special taxing jurisdiction.

Secured Roll - That part of the local property tax assessment roll which contains real property where the taxes are adequately secured by a lien.

GLOSSARY OF TERMS (CONT.)

Sinclair Decision - Under the 1997 Sinclair decision, the state can impose fees to recover state programs' costs. The California Supreme Court said there must be a connection between the program being funded and the fee payer. In the Sinclair case, the state charged fees to paint manufacturers and used the revenues to pay for correcting past problems caused by lead paint. State fees require a majority vote in the Legislature, while state taxes require a 2/3 vote. (Sinclair Paint Co. v. State Bd. of Equalization, 15 Cal. 4th 866)

Special Assessment - See "Benefit Assessment."

Special Distribution Fund - Funds provided to local governments to mitigate the impacts of Indian gaming pursuant to SB 621 (Battin, 2003).

Special District - A local government that provides a limited range of public services and facilities to a defined geographic area. About 2/3 of the 4,700 special districts have their own elected or appointed governing boards; county supervisors and city councils govern the others.

Special Tax - A tax is a "special tax" when the revenues are dedicated or restricted to a special use, including a tax levied for a specific purpose which is deposited into the general fund. The California Constitution requires 2/3 voter approval to levy a special tax. A Mello-Roos tax, for example, is a special tax requiring 2/3 voter approval because local officials can only use the resulting revenues for specific purposes. Also see "General Tax."

Specific Plan - An implementation program for carrying out a general plan in a particular part of a county that includes more specific information on land uses and development schedules, activities, and criteria.

State Mandated Local Programs - The California Constitution requires the state to reimburse local governments for their costs when the state requires new programs or higher service levels. This program is sometimes known as the SB 90 program.

Subdivision Map Act - The state law that governs the subdivision of land, including tentative subdivision maps and parcel maps ("lot splits").

Subvention - Money transferred from the state to local governments. For example, the state government pays counties that participate in the Williamson Act nearly \$40 million a year in subventions to make up for their lost property tax revenues.

Supplemental Roll - An additional assessment roll upon that property which changes ownership or is newly constructed after the regular lien date is placed.

Surtax - An additional tax rate added to the rate of an existing tax.

GLOSSARY OF TERMS (CONT.)

T

Tax and Revenue Anticipation Notes (TRANS) - TRANS let local officials borrow money based on anticipated tax receipts to solve cash-flow problems. Local officials repay TRANS with tax revenues collected during the fiscal year. Also see “RANs” and “TANs.”

Tax Anticipation Notes (TANs) - TANs let local officials borrow money based on anticipated tax receipts to solve cash-flow problems. Local officials repay TANs with tax revenues collected during the fiscal year. Also see “RANs” and “TRANS.”

Tax Base - The part of the economy or the portion of the population against which a tax is levied or measured.

Tax Expenditure - Foregone revenues resulting from a special exemption, exclusion, deduction, credit, or deferral with respect to any given tax.

Tax Levy Bill - A bill in the California Legislature which imposes a state tax, repeals a state tax, or changes the rate, base, or burden of a state tax. Determination of whether a bill is a tax levy is made by Legislative Counsel. Special rules regarding legislative deadlines and effective dates apply to tax levy bills. Counsel considers the property tax to be to be a “state tax.”

Tax Rate - The ratio of the tax to the tax base. For property taxes, the 1% rate is applied to the assessed value of property to determine the amount of the tax.

Tax Rate Area (or Tax Code Area) - Geographic area that is served by the same combination of local governments and has the same property tax allocation factors.

Teeter Plan - An optional program for allocating property tax revenues to local governments. The county auditor distributes the full shares of tax revenues to all local agencies in the county and then the county government collects delinquent payments, along with the interest and penalties. Most counties use the Teeter Plan.

Temporary Assistance for Needy Families (TANF) - A federally-funded program providing time-limited income support, childcare and employment services to indigent families with children. (In California, called CalWORKs which replaced the AFDC program.)

Timber Yield Tax - A state tax, administered by the Board of Equalization, in lieu of the property tax on standing timber. The landowner pays only when the timber is harvested and the tax reflects the value of the cut timber. The tax is allocated to the counties in which the timber is located.

Transactions and Use Tax - Complimentary to the sales and use tax. This tax is imposed by the city, county or special taxing district upon voter approval and the revenue is dedicated to the city, county, or special taxing district that imposes the tax. The tax can

be imposed in 1/4% increments up to 2%, depending on the city or county. A transactions and use tax imposed for a general purpose requires majority voter approval; a tax imposed for a specific purpose requires a 2/3 voter approval.

Transient Occupancy Tax - Also known as the “hotel/motel tax” or the “bed tax,” cities and counties can charge taxes on occupancies of 30 days or less, with some exceptions.

Triple Flip - As part of the 2003-04 state budget, and to finance a \$10.7 billion deficit bond, the Legislature enacted a temporary 1/2 cent reduction in the local sales tax and offset the losses to local governments with increased property taxes. Approval by the voters of the Governor’s \$15 billion bond measure in March 2004 (see “Proposition 57”), reduced the terms of the triple flip to a 1/4 cent reduction. This so called “triple flip” terminates when the bond is fully repaid.

U

Unsecured Roll - That part of the assessment roll consisting largely of business personal property owned by tenants; the taxes on that are not secured by a lien on real property.

Unsecured Tax Rate - Prior year’s secured roll tax rate which is levied against current year’s unsecured roll.

Use Tax - A tax on goods purchased outside the state and delivered for use in California. The use tax prevents revenue loss from avoidance of sales taxes by means of out-of-state purchases and to remove inequities between purchases made within and those made outside the state. Companion to the sales tax. If the use tax is not paid to the retailer, the purchaser is required to self report the tax to the Board of Equalization or on personal income tax forms.

User Charge (Service Charge; Fee) - A charge levied for use of a public service (e.g., day-use fees at a marina or park). A charge or fee cannot exceed the estimated reasonable cost of providing the service.

Utility Users’ Tax - Cities and counties can levy an excise tax on the use of electricity, gas, telephone, cable, and other utilities within their jurisdictions. Counties’ utility user taxes apply only in unincorporated areas.

V

Vehicle License Fee (VLF) - The state levies an 0.65% excise tax on motor vehicles in lieu of local property taxes. Most of the revenue is allocated for county health programs, but a portion of the revenue is allocated to cities based upon population. Until the 2004-2005 state budget, the VLF rate was 2% and most revenue went to cities and counties. When the state reduced the VLF rate, it shifted more property tax revenues to counties and cities to make up for their reduced VLF revenues.