

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



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

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Cities . . .



- ▼ are general purpose local governments
- ▼ provide essential frontline municipal services tailored to meet the unique needs of the communities they serve
- ▼ are funded mostly by locally enacted revenues
- ▼ provide land use planning and control

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Counties . . .

▼ Hybrid local/state



- state/federal social service & health programs
 - Aid to families (CalWORKS), food stamps, foster care, In-Home Support Services



- countywide local services
 - jails, courts, elections, indigent aid, property tax collection



- “city” services to unincorporated areas
- ▼ More mandates, less discretionary \$, more vulnerable to state budgetary action

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Special Districts . . .



- ▼ some “dependent”
 - ✓ some “independent”



- ▼ some are enterprise (water, irrigation, sanitation) - some are not (parks & rec, mosquito abatement, fire)



- ▼ where they provide services instead of city or county, they may get a cut of the property tax

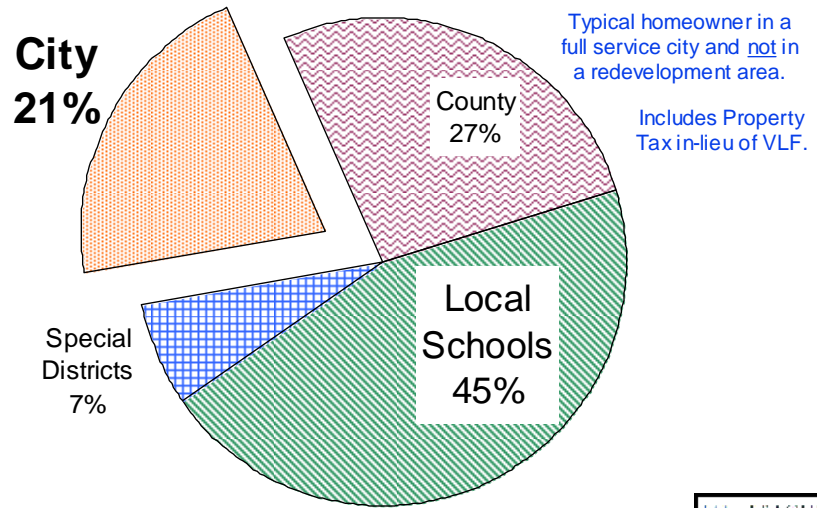


- ▼ **redevelopment agencies** are dependent special districts

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Property Tax: How much goes to your city?

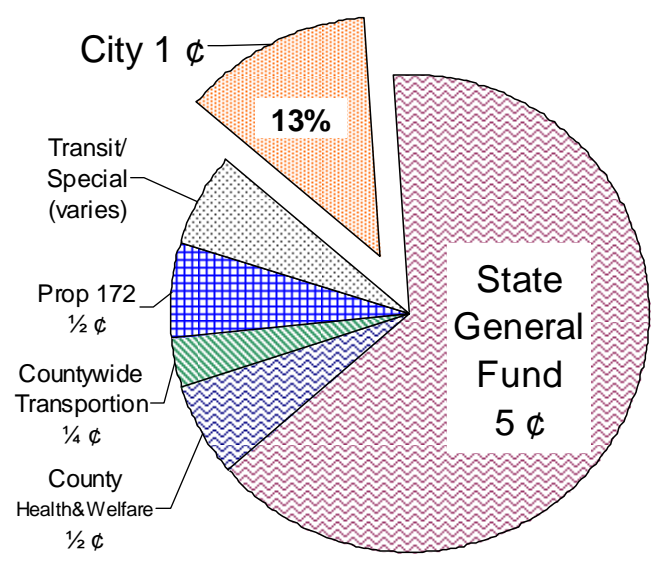


5 [Source:](#) Coleman Advisory Services computations from Board of Equalization and State Controller data.



Sales Tax:

For each taxable dollar you spend, you pay sales tax to

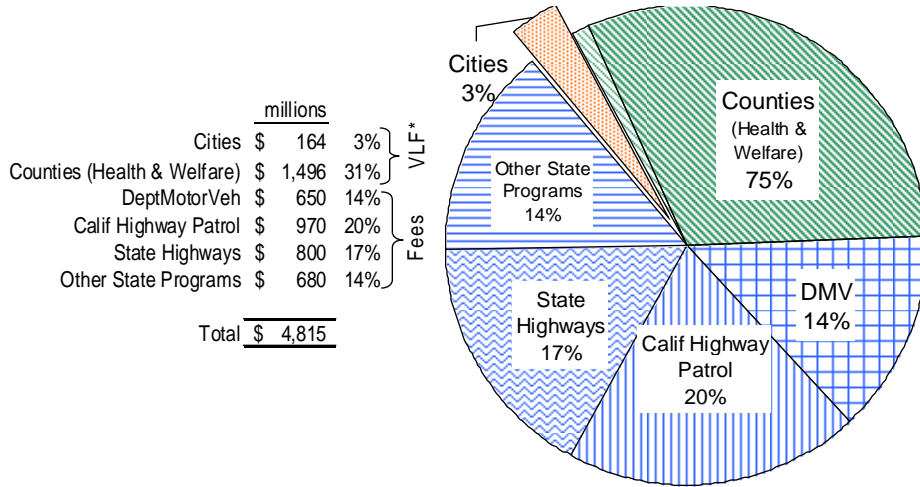


SOURCE: Calif State Board of Equalization

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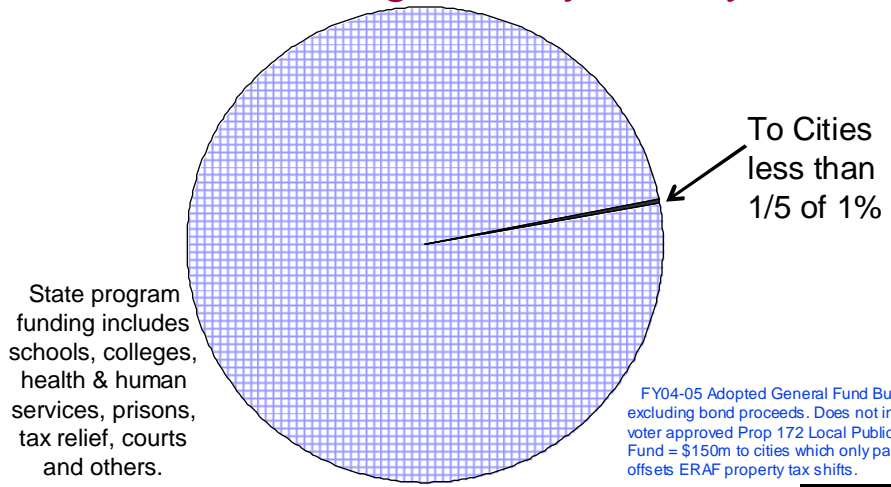
Vehicle License & Registration Fees Where do they go?



7 *0.65% Vehicle License Fee or "car tax" in lieu of local property tax.
 Source: Coleman Advisory Services calculations from Calif Dept of Finance and DMV data.



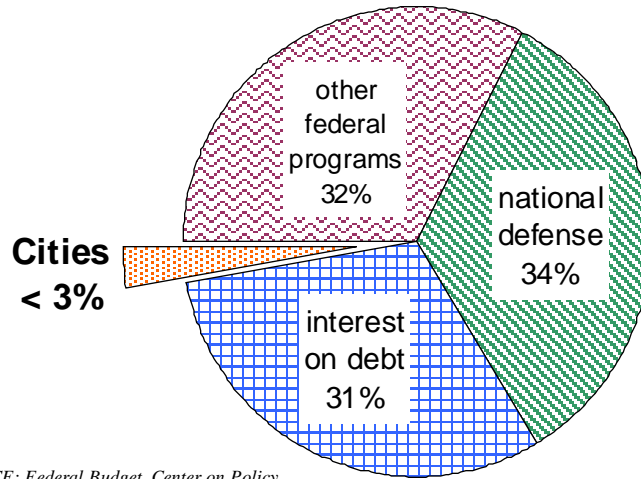
State General Revenues including State Income Tax, State Sales & Use Tax: How much goes to your city?



8 **\$90 Billion State General Fund**
 Source: Coleman Advisory Services calculations from Calif State Budget.



Federal Income Tax: How much goes to your city?

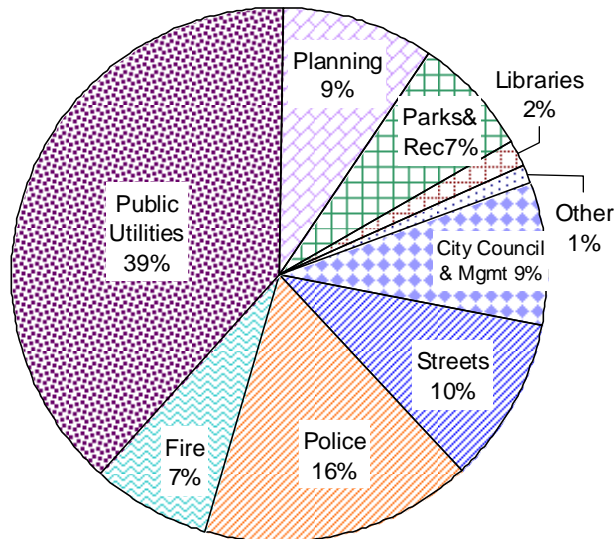


SOURCE: Federal Budget, Center on Policy Priorities, Coleman Advisory Services

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California City Spending

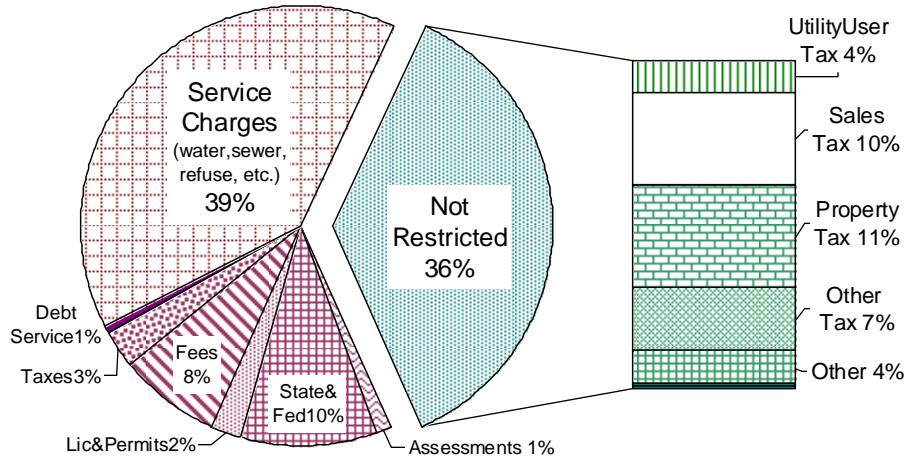


Source: State Controller. Excludes San Francisco

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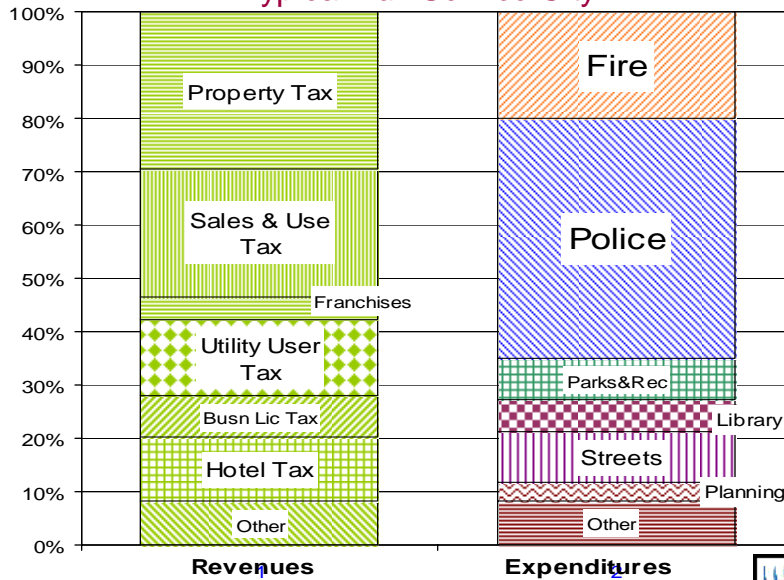
California City Revenues



11 [Source: Coleman Advisory Services, State Controller.](#)
FY01-02 data adjusted for 2004 VLF - Prop Tax swap.



Discretionary Revenues and Spending Typical Full Service City



12 [Source: Coleman Advisory Services Calculations from State Controller reports](#)



The Value of City Services

- ▼ The average city resident pays \$59.25/month for city **services** (not including fee-funded public utilities such as water, sewer, flood control and garbage collection provided by many cities)
- ▼ \$59.25 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
- ▼ Or... \$59.25 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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