

1 **CONCURRENT RESOLUTION CALLING ON LOCAL**
2 **GOVERNMENTS TO TREAT ABOVE-TREND REVENUE**
3 **GROWTH AS ONE-TIME REVENUE**

4 2022 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Lincoln Fillmore**

7 House Sponsor: _____

8
9 **LONG TITLE**

10 **General Description:**

11 This resolution encourages counties, cities, towns, and metro townships to consider
12 treating above-trend revenue growth as one-time revenue instead of ongoing revenue.

13 **Highlighted Provisions:**

14 This resolution:

15 ▶ recognizes the volatility of tax revenue and federal funds received by state and local
16 governments;

17 ▶ recognizes the benefits of treating above-trend revenue growth as one-time revenue;
18 and

19 ▶ encourages counties, cities, towns, and metro townships to treat above-trend
20 revenue growth as one-time revenue instead of ongoing revenue.

21 **Special Clauses:**

22 None

23
24 *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

25 WHEREAS, the business cycle creates fluctuations in state and local government
26 revenues;

27 WHEREAS, tax revenue volatility can increase suddenly and unexpectedly, as seen



28 during the Great Recession and the COVID-19 pandemic, increasing the difficulty of revenue
29 forecasting;

30 WHEREAS, the Great Recession and the COVID-19 pandemic demonstrate that the
31 amount of federal funds received by state and local governments can also fluctuate significantly
32 and unexpectedly;

33 WHEREAS, state and local government tax and budget policies can contribute to or
34 mitigate revenue volatility and its effects;

35 WHEREAS, treating unexpected, or above-trend, revenue growth as one-time money
36 can help protect against the negative effects of revenue volatility;

37 WHEREAS, treating above-trend revenue growth as one-time money can reduce the
38 need for difficult and often inefficient budget choices when revenue declines, including
39 reductions in government services or increased taxes;

40 WHEREAS, treating above-trend revenue growth as one-time money can protect
41 against unsustainable growth in government budgets when revenue increases; and

42 WHEREAS, the Legislature considers treating above-trend revenue growth as one-time
43 money instead of ongoing money for all major tax types and for federal funds when setting the
44 state's budget:

45 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
46 Governor concurring therein, encourage counties, cities, towns, and metro townships in the
47 state to also consider treating above-trend growth in sales and use tax revenue and in federal
48 funds as one-time money instead of ongoing money when setting a budget.