

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

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Andrew Stoddard

LONG TITLE

General Description:

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

Highlighted Provisions:

This resolution:

- ▶ recognizes the volatility of tax revenue and federal funds received by state and local governments;
 - ▶ recognizes the benefits of treating above-trend revenue growth as one-time revenue;
- and
- ▶ encourages counties, cities, towns, and metro townships to treat above-trend revenue growth as one-time revenue instead of ongoing revenue.

Special Clauses:

None

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

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

WHEREAS, tax revenue volatility can increase suddenly and unexpectedly, as seen during the Great Recession and the COVID-19 pandemic, increasing the difficulty of revenue 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, encourages 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.