

## County Commission Update: Mitigation Fees

Welcome to the first installment of the County Commission Update. As County Commissioners we want to take every opportunity to share information with the citizens of Tooele County. When issues and questions arise, we will provide information to you through this publication and on the Tooele County website at [www.co.tooele.ut.us](http://www.co.tooele.ut.us). Just click on the County Commission Update link on the home page. This Update focuses on Tooele County's mitigation fees.

First, a little bit about what mitigation fees are. They are moneys paid to Tooele County by certain business and government entities to help offset all types of county costs associated with those entities conducting business within the county. Those entities consist of the west desert industries, the regional landfill, and certain military installations. Deseret Chemical Depot and Energy Solutions are examples of entities that pay mitigation fees.

Costs to the county associated with those businesses include repairing roads due to heavy vehicle traffic, law enforcement, the loss of other businesses locating in Tooele County because those entities are here, and everything in between.

The amount of the mitigation fees paid by the businesses vary and are determined by the type and amount of business conducted.

According to County Auditor records, Tooele County received the first mitigation fees in 1986. The original intent may have been to set them aside; however, the growth of the county necessitated putting them into the general fund. Ever since then, mitigation fees have always been put into the general fund. From there they are tracked and allocated, along with the rest of the county revenue, for their intended purposes such as fixing roads, providing law enforcement, paying personnel costs, and providing other county services. Currently mitigation fees make up 20 to 30 percent of the county budget.

State law requires counties to have a balanced budget. Fortunately over the last few years, Tooele County has had an excess general fund balance to fall back on when revenues didn't meet or exceed expenses. Of course, the budget can't be balanced by relying on mitigation fees alone but they are a considerable part of the process. All of the county's revenue sources are considered when balancing the budget.

Now some would argue that the county should live within its means and not use mitigation fees in the county budget. Mitigation fees are revenue just like property taxes and service fees. By placing mitigation fees in the general fund and using them for budget purposes, the county is staying out of debt and living within its means.

Mitigation fees also allow the county to keep property taxes low because the fees are used, just like property tax revenue, to create the budget. Currently Tooele County is second in the state for the lowest property tax rate. If the county didn't receive mitigation fees, property taxes would have to increase in order to maintain the same level of service that exists now.

Still some say that mitigation fees should be set aside and only used for capital projects. What they don't understand is capital projects are funded through the general fund. So mitigation fees do go towards capital projects.

Others ask about the long-term life of the mitigation fees. The fees do fluctuate based on the volume of business conducted by those entities. But all sources of revenue fluctuate from year to year. Last year sales taxes and fees for services were down. This makes balancing the budget a difficult process.

Tooele County is planning for the end of the mitigation fees paid by Deseret Chemical Depot. In a little more than a year, that Army installation will complete its mission of destroying the chemical weapons stockpile and the fees will no longer be required. The west desert industries and the regional landfill appear to be stable for the foreseeable future.

Are we dependent on mitigation fees? The simple answer is "no." As an alternative to mitigation fees, property taxes would have to be increased to maintain the same level of services. County department heads would continue to tighten their financial belts. And it could be expected that the quality of services provided would diminish. That's no different than all private and public sector businesses the world over.

Tooele County is very fortunate to receive the mitigation fees especially during these hard economic times. Ultimately we're looking at the issues and trying to come up with the solutions that fit the county's needs. Everyone may not agree on the benefit of the sources of the mitigation fees or on the uses of those fees, but they do help reduce our taxes and play an important part in the economy of every community in our county.