

GENERAL CLASSIFICATION OF TAXES, FEES AND USER CHARGES

CLASSIFICATIONS	EXAMPLES	BASIC CHARACTERISTICS	PROTECTIONS	ACCOUNTING
TAXES	Property Taxes, Excise Taxes, Income Taxes, certain license fees	Imposed to raise money for <u>any</u> governmental purpose. No relationship between tax burden and benefit to an individual taxpayer	Express statutory authority always required. Subject to limits, uniformity requirements and other controls on tax levels and allocation of burden among taxpayers.	May be deposited in general fund or any other funds. May be used for any lawful governmental purpose.
USER CHARGES:				
Commodity Charges	Electrical rates, water rates, connection charges, irrigation assessments	Imposed to pay for the provision of commodities or services of direct benefit to consumer.	Commodity charges must be uniform within classes of customers and classes of service. May not exceed allocable share of cost.	Must be deposited in special fund. May not be transferred to general fund or other special funds for purposes of those funds.
Burden Offset Charges	Sewer rates, garbage rates, storm water utility charges, growth impact fees	Imposed to offset cost of handling burdens on others and on public resources ("externalities") caused by payor's activities.	May not exceed payor's allocable share of cost of programs or improvements to handle burdens caused by payor's activities. Must be uniform within classes of service and classes of users. Certain impact fees must be used within certain time periods for identified facilities.	Must be deposited in special fund. May not be transferred to general fund or other special funds. Must be used to pay for program facilities or activities.
Processing and Inspection Fees (True "Regulatory Fees")	Building permit fees, housing inspection fees, professional licensing fees, certain other license fees	Imposed to pay costs of governmental handling of payor's applications or requests, or to pay for inspection and control of payor's activities.	May not exceed allocable share of cost of processing, licensing or inspection and enforcement program.	Must be used to pay for processing or program activities.
Special Assessments	LID, ULID, LUD, RID Assessments	Imposed on property to offset cost of capital improvements that directly increase the value of that property.	May not exceed increase of value of property ("benefit") from improvement. Must be fairly allocated among all benefitted properties.	Must be deposited in special assessment fund or bond fund. May not be transferred to general fund or any other special funds. Must be used for specified improvements.