

Utah City Finance Report

January 2026



A report by the
Utah Taxpayers Association

Table of Contents & Methodology

Table of Contents:

Quick Facts	3
Introduction	4
City Revenue Sources	5
City Expenditures	10
Utah’s High-Growth Cities	13
Accountability Starts with Local Funding	15

Sources:

- Utah population estimates produced by the Kem C. Gardner Policy Institute under guidance from the Utah Population Committee, July 1, 2024 adjusted data, accessed [here](#)
- Uniform Chart of Accounts for Local Governments of Utah from the Auditor’s website, accessed [here](#)
- City fiscal year 2024 Annual Comprehensive Financial Reports (ACFRs) from the Auditor’s website, accessed [here](#)
- Transparent Utah entity transaction details tool, 2024 and 2025 data accessed [here](#)

Note: Revenue and expenditure totals reported in city ACFRs and on Transparency Utah do not match exactly due to audit adjustments, accruals, and other financing activities that are not reflected in the raw general ledger data reported by cities to the transparency site.

Quick Facts

\$8 billion

Revenue collected by cities across the state in 2024

\$7.4 billion

Amount spent by cities across the state in 2024

\$2,299

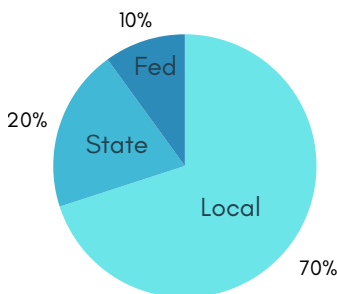
City revenue per person across the state

\$2,105

City spending per person across the state

70%

Proportion of cities that ran surpluses in 2024, collecting more revenue than they spent



Typical breakdown of revenue sources for cities in Utah

Wages & Benefits

Major source of costs for cities. But many cities *additionally* spend hundreds of thousands on employee perks, appreciation, meals, events, and cash gifts.

Introduction

Every city is unique. The exact mix of revenue sources will (and should) vary for each individual municipality based on the makeup of their residents and businesses, and what services they offer at the city level versus what may be handled by a special service district or county-level entities.

Some cities have a low population density and attract few outside visitors, while others receive more than half of their total budget from sales taxes alone. From year to year, revenue sources and volumes can change drastically based on housing developments or bonding.

In 2024 **cities across the state collected more than \$8 billion dollars in revenue and spent \$7.4 billion**. That comes out to an average of \$2,299 of city revenue per person in the state, and \$2,105 of city spending per person.

For a family of five, that's well over \$10,000 in city-level revenue and spending.

If all Utah cities combined were a company, they'd land on the Fortune 500 list.

City spending across the state is roughly equivalent to the entire state's K-12 education budget.

Not all city revenues come from taxes or user fees; revenues can also consist of state and federal grants, bond proceeds, business-type activities (for example a city golf course or power company), and even donations. Collectively, Utah's cities play a central role in administering and deploying public funds in Utah.

This report explores the various sources of revenue available to Utah's cities, typical city expenditures, and dives deeply into unique considerations for 15 of Utah's highest-growth cities.

City Revenue Sources

Cities have dozens of revenue sources available to them. Some are taxes, others are user fees or fees for services, and some funds are available for special purposes via state-leveled taxes. Cities can also issue bonds or at times qualify for grants.

The Uniform Chart of Accounts for Local Governments of Utah lists **123 distinct revenue categories for cities** to classify their funding. This includes everything from revenues generated by selling concessions, to property taxes, tobacco taxes, or library fines. In Utah, the revenues collected by cities vary greatly, from over half a billion of governmental funds in Salt Lake City, to just \$67k in Scofield Town with a population of fewer than 50 residents.

But governmental funds available to all cities fall into the following broad categories as classified in each city's audited Annual Comprehensive Financial Report (ACFR). Below we've listed these categories as well as a few examples within each category and who typically pays the fee.

Recurring Revenue

paid by residents, visitors, and those doing business in the city

Taxes	
Property Tax	Paid by residents and businesses located within the city limits
Sales Tax	<p>Paid by anyone conducting a transaction in the city, and includes the local option 1% sales tax, optional voter-approved levies like RAP, PARC, RAMP, or ZAP, and local option sales taxes like highways or transit (if applicable).</p> <ul style="list-style-type: none"> This revenue also includes sales tax collected from online purchases, which Utah allocates partly based on where goods are delivered and partly by population. Half of the local option sales tax is distributed to the city where the sale occurs (including online deliveries), while the other half is shared among all cities according to population. As a result, both retail centers and residential communities benefit from statewide online sales activity.
Franchise Tax	Fees paid by utility and telecom providers for the right to use public rights-of-way (streets, sidewalks, easements) to deliver their services
Other Local Taxes	Municipal energy use tax, Transient room (hotel/motel) tax, Restaurant tax, etc.

Charges for Services

General Government	Zoning fees, document fees, GIS map fees
Public Safety	Ambulance/EMS fees, fire inspection fees, police reports
Public Works	Sanitation/garbage collection fees, water or sewer
Culture & Recreation	Aquatic center admissions, recreation program fees, golf fees, library fines
Cemetery	Plot sales, burial fees
Rentals	Facility, park, or building rentals

Licenses & Permits

Business licenses	Alcohol licenses
Building permits (construction, electrical, plumbing)	Zoning & planning permits
Animal licenses	Other licenses & permits

Fines & Forfeitures

Court fines	Traffic citations
Parking fines	Ordinance/code violations

Special Assessments

Impact fees (parks, roads, water, sewer)	Special improvement districts (sidewalks, curb/gutter, lighting, drainage)
--	--

Check out our other report, [The Cost of City Government](#), to understand what an individual resident's tax & fee burden is from their specific city.

Recurring Revenue

not directly paid by residents & visitors

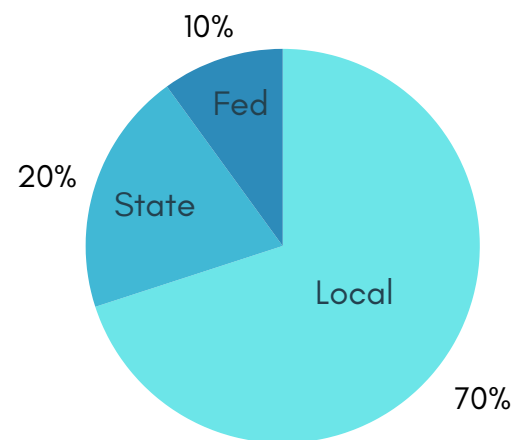
Intergovernmental Revenues	
State Shared Revenues	Class B & C road funds (gas tax), Mineral lease funds, beer excise taxes, etc. <ul style="list-style-type: none"> ◦ Example: Utah’s beer tax revenue provides cities with dedicated funds for drug and alcohol-related public safety needs, including prevention, treatment, and prosecution.
Federal/State Grants	CDBG, ARPA, FEMA reimbursements, UDOT funding, housing grants
Other Pass-Throughs	Payments from counties or special districts for shared services

Miscellaneous Revenues	
Interest income (investment earnings)	Donations & contributions
Insurance recoveries	Sale of property/assets
Miscellaneous receipts (catch-all)	

One-Time Sources of Revenue

Other Financing Sources	
Proceeds from bonds (GO, revenue, refunding)	Bond premiums/discounts
Proceeds from capital leases	Transfers in (from other funds)

The vast majority of city revenues are appropriately collected at the local level to help keep priority decisions local and protect taxpayers. In the 2024 ACFRs, a **typical breakdown of revenue sources for a city in Utah is about 70% local, 20% state, and from 5-10% federal**. Smaller rural cities rely much more on state and federal aid (often 30-40% of their budgets) while large Wasatch Front cities depend primarily on local sources. Each city is different: large cities may qualify for housing or transit grants that rural places do not, while rural cities receive more state aid because of their weaker tax base and higher infrastructure costs per resident. Low-density development means longer roads, water, and sewer lines per capita, making basic services more expensive.



Special Highlight: Municipal Bonding

Municipalities in Utah can issue bonds to support capital projects. The most common types are **general obligation (GO)** bonds and **revenue bonds**. GO bonds require voter approval because repayment may necessitate a tax increase; they are backed by the municipality's full faith and credit, and under the Utah Constitution, cannot exceed 4% of a city's total assessed value for tax purposes of real and personal property.* Revenue bonds are generally exempt from this constitutional limit and do not require voter approval, as long as pledged revenues are sufficient to cover debt service. They are secured by specific revenue sources, such as utility fees, tolls, or service charges. This framework allows municipalities to fund infrastructure projects while maintaining control over debt levels.

Most cities in Utah are currently bonding. Eighty percent of the 15 high growth cities in Utah we examined in detail are currently paying down a variety of bonds, most of which include bonding for water and/or sewer.

One example of a high-growth Utah city that has relied on bonding in recent years is Saratoga Springs. The city is currently paying down special assessment bonds, two water revenue bonds, a sewer revenue bond, and two sales tax revenue bonds. In late 2023, it also issued a \$40 million revenue bond to construct a new city hall. To do this, the city council created a Municipal Building Authority (MBA), which issued the bond and will "lease" the completed building back to the city. The city's lease payments secure the bond, which allows the project to be financed without voter approval and without counting against the city's general obligation debt limit, as a more traditional bonding approach would. Although the MBA is a separate legal entity for financing purposes, in practice it operates entirely under the city's control. It is a blended component unit governed by the same city council and functions solely to finance facilities for the city, not as an independent agency.

Cities have a variety of methods for accessing capital when needed. Whenever issuing bonds, cities should prioritize their most urgent infrastructure needs. Bonding for one purpose can limit the ability to fund other critical priorities if the city approaches its constitutional debt limit. These limits and adhering to standard bonding practices protect taxpayers by ensuring that bonding capacity is reserved for the most essential projects.

** The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 12% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 8% and any unused portion of the 4% available for general purposes up to the maximum of 12% may be utilized for water and/or sewer purposes.*

Who pays the most to cities?

- City **residents** are typically the biggest ongoing source of city revenues through property tax, sales tax, and service fees.
- **Developers or builders** contribute heavily via building permits, impact fees, and other various fees, especially when there's new construction.
- **Utilities** pay franchise taxes, but ultimately these costs are passed on to residents and businesses.
- **Visitors** to the city contribute through sales tax, transient room taxes, etc.
- **Businesses** operating in the city pay many taxes and fees.

Special Highlight: Developers & Builders

When cities are experiencing growth, developers become major sources of local government revenues. There are many different types of fees that a developer (or builder) typically has to pay a city when developing land, constructing buildings, or otherwise creating new development. The exact mix depends on the municipality, the type of development, and what utilities/infrastructure are required.

The most common fees paid by builders and developers include:

- Impact fees
- Building permit fees
- Inspection fees
- Connection/hook-up fees
- Annexation fees
- Subdivision/plat fees
- Zoning/land use application fees

In examining 15 of Utah's high-growth cities we discovered that impact fees alone constitute on average 7% of a city's total governmental fund revenues, and typically range from 5 - 15% of the total governmental revenues.

A 2021 study from [The National Association of Home Builders](#) found that regulations imposed by government at all levels account for nearly 25% of the price of building a single-family home and more than 40% of the cost of a typical multifamily development. Fees from city governments constitute a substantial portion of this cost.

City Expenditures

Cities in Utah **spend over \$2,000 per resident each year**. In 2024, **70% of cities ran surpluses**, collecting more revenue than they spent. While maintaining a balanced budget is sound practice, persistent surpluses can also reduce the pressure to scrutinize spending decisions. Surpluses are not inherently harmful, but when resources are plentiful, cities may be more likely to grow budgets or raise taxes modestly to cover new initiatives. Scarcity, by contrast, often encourages clearer prioritization and stronger stewardship of taxpayer funds.

There are certain expenditures that virtually all cities will have, like personnel costs, public safety, and infrastructure. But municipal services can vary widely across cities, and each mayor and city council individually sets spending priorities each year. City expenditures are classified into the following categories in the audited ACFRs:

Current Expenditures	
reflect the costs of day-to-day city operations, like personnel, utilities, and services	
General Government	Primarily employee compensation and benefits costs for mayor, city council, administration, finance, HR, IT, legal
Public Safety	Police, fire, emergency management, animal control*
Public Works / Highways & Streets	Roads, snow removal, engineering, sanitation, fleet**
Culture & Recreation	Parks, recreation programs, libraries, museums, arts
Community & Economic Development	Planning, zoning, housing, redevelopment
Some larger cities may have a category for Airport or Housing / RDA	

*Police and fire sometimes come from city budgets, and sometimes from special districts.

**Utility services such as water, sewer, stormwater, and garbage are typically accounted for in enterprise funds rather than the governmental funds summarized here. They are user-fee-funded and therefore separate from the general tax-supported budget.

City employee salaries are a major expense for municipalities. City managers in particular are highly paid, at nearly \$200k on average. In Saratoga Springs, the city manager is paid \$191,638 while the Public Works Director is paid \$149,631. In Spanish Fork, the city manager earns over \$207k while in Herriman this position is paid more than \$210k. The chief administrative officer in Salt Lake City is paid more than \$317k. Even Santaquin, with a population of fewer than 18,000 is paying their building official over \$100k annually. Check out more City, County, and School District salaries in our [2025 Government Employee Salaries Report](#).

Capital Outlay large construction projects	
Capital Projects	Construction of facilities, infrastructure, large equipment purchases. Fluctuates widely from year to year, depending on construction schedules for major road, park, or facility projects

Debt Service varies based on the timing of bond issuances or pay-offs	
Principal Retirement	Paying down bond principal
Interest & Fiscal Charges	Interest payments and bond issuance costs

In many cities across Utah, public safety is the largest category of spending*, followed (in varying order) by Public Works / Streets / Infrastructure, Parks & Recreation or General Government (personnel). The exact proportion of spending, however, is unique for every municipality based on the year and how services are delivered to residents. For example, in growth corridors (like Lehi, Saratoga Springs, or Herriman), capital outlay for roads, water, and sewer systems can exceed public safety in certain years. A city like Provo shows 45-50% of its budget going to Public Safety because it runs police/fire directly, while a city like Millcreek shows only about 10-15% to Public Safety, but its residents still fund police/fire through the UFA/UPD tax levies.

Taken together, these broad expenditure categories highlight the core services (public safety, streets, and parks) that cities deliver. However, these categories also hide many types of spending that do not directly benefit or support public initiatives. In our recent report [Inside City Spending](#), we highlight many expenditures that are excessive in amount, don't directly benefit the public, or show a misalignment with the proper role of municipal functions.

Cities operate much like large organizations but without the discipline of market forces, which heightens the need for public accountability. They provide essential services, yet also levy taxes and fees, making citizen oversight crucial. The officials managing more than \$8 billion in spending are chosen in local elections often decided by just a few hundred votes. Resident engagement is crucial to ensuring public officials keep spending limited and focused on delivering services enjoyed by the broad populace.

** This is not true in municipalities that are served by a special district for fire or police services. In those areas, residents pay directly to the special service district and revenues and expenditures are tracked in the ACFRs of those entities, not in the city's finances. Some cities also contract with neighboring municipalities or counties for specific services such as animal control, court operations, or building inspection. These show up as smaller 'interlocal' expenditures within the relevant category.*

Transaction Level Municipal Expenditures

Utah's transparent.utah.gov website allows anyone to view transaction-level financial details for public entities including cities, school districts, counties and special districts.

Here are a few examples from American Fork City of the types of specific expenditures that reside within the broad categories outlined in audited financial reports.

American Fork 2025 Selected Expenditures:

- IT Dept software \$440,554
- IT Dept hardware \$30,536
- Office supplies \$58,847
- Postage \$81,378
- Department branding \$16,550
- Subscriptions and memberships \$23,000
- Employee appreciation \$50,933
- Overtime wages for special events \$115,559
- Carnival \$15,380
- Flag rotation & maintenance \$10,506
- Downtown revitalization \$10,000
- Disc Golf Course \$60,817
- Education and travel \$94,497
- Timpanogos Symphony \$7,000
- Child care \$3,151
- Miss American Fork pageant \$4,714
- Animal Control \$90,758
- Celebration fund \$77,463

Curious where your city is prioritizing spending? You can access any city (or other entity's) audited financial reports in a few clicks on the State Auditor's website here: <https://reporting.auditor.utah.gov/searchreports>

Utah's High-Growth Cities

We examined the 2024 ACFR's of 15 of Utah's highest-growth cities to highlight how much their tax base and needs can vary. These cities were selected based on their status as the fastest growing municipalities in Utah over the past 5 years (with populations >10,000) in terms of either raw population increase and/or rate of population growth.

Below are a few quick-facts about some of these cities, and a table showing revenue and expenditures comparisons.

Saratoga Springs

Population grew 46% in the past 5 years.

Developers paid at least \$11M in fees to Saratoga Springs in 2024 alone (connection fees, water rights, impact fees, etc), nearly 20% of governmental revenues that year.

South Jordan

Building permits alone accounted for over \$1.6M in revenues for South Jordan in FY 2024.

Eagle Mountain

In 2024 Eagle Mountain collected more than \$24M from developers in the form of impact fees and planning building & engineering fees.

Audited ACFR Data: Fiscal Year 2024

City	2024 Pop.	Percent change pop. 2020 to 2024	Numeric change pop. 2020 to 2024	Total Govt Revenues FY 2024	Total Govt Expenditures FY 2024	Other financing Sources (Govt funds)	Bond (s)	Impact fees	Impact fees as % gov't rev
Saratoga Springs	55,047	46.0%	17,351	\$59,136,166	\$46,388,296	\$40,211,325	Y	\$5,109,754	9%
Eagle Mountain	61,686	41.4%	18,063	\$54,352,058	\$54,866,746	\$3,608,462	Y	\$5,532,405	10%
West Haven	22,310	33.1%	5,544	\$17,530,837	\$16,980,880	\$ -	Y	\$1,303,654	7%
Mapleton	14,786	30.1%	3,421	\$15,039,973	\$23,868,992	\$11,847,928	Y	\$1,093,760	7%

City	2024 Pop.	Percent change pop. 2020 to 2024	Numeric change pop. 2020 to 2024	Total Govt Revenues FY 2024	Total Govt Expenditures FY 2024	Other financing Sources (Govt funds)	Bond (s)	Impact fees	Impact fees as % govt rev
Santaquin	17,835	30.1%	4,125	\$19,218,163	\$23,571,007	\$5,219,985	N	\$1,401,603	7%
American Fork	42,952	28.8%	9,602	\$58,473,987	\$62,594,144	\$(443,052)	Y	\$2,560,733	4%
Washington	34,894	24.6%	6,898	\$54,035,381	\$44,231,698	\$333,185	Y	\$7,111,621	13%
Tremonton	12,209	23.4%	2,314	\$14,767,785	\$13,286,463	\$ -	Y	\$1,049,658	7%
Ivins	10,918	21.6%	1,941	\$14,202,555	\$13,673,375	\$3,500	N	\$1,777,522	13%
Lehi	89,819	18.2%	13,820	\$86,387,569	\$102,874,310	\$(218,198)	Y	\$4,094,954	5%
Spanish Fork	49,890	16.9%	7,208	\$49,601,309	\$95,724,812	\$82,792,859	Y	\$2,824,575	6%
Herriman	62,755	13.6%	7,517	\$81,207,768	\$71,224,683	\$2,553,562	Y	\$5,503,439	7%
South Jordan	87,575	13.0%	10,104	\$102,197,775	\$96,172,595	\$(21,011)	Y	\$940,917	1%
Salt Lake City	219,723	10.0%	20,000	\$533,994,969	\$514,877,785	\$(16,006,821)	Y	\$50,244,412	9%
St. George	104,470	9.6%	9,117	\$203,994,664	\$184,090,517	\$36,621,247	N	\$13,730,271	7%

Note: All figures in this table are from each city's FY 2024 ACFR. We are only considering governmental funds (no proprietary funds). "Other financing sources" is a distinct category from Govt Revenues and covers one-time sources of revenue such as bond proceeds, capital leases, or transfers in/out of other funds.

Accountability Starts with Local Funding

The Utah Taxpayers Association believes that local dollars should fund local decisions. City **revenues should be primarily collected locally, and directly connected to the services they fund**. Local governments are closest to the people they serve, and local taxpayers are best positioned to evaluate whether the benefits of a program justify its costs.

When city residents can clearly see the relationship between the services they receive and the taxes or fees they pay, they are empowered to hold local officials accountable for how money is spent. This transparency encourages fiscal discipline and ensures that spending reflects community priorities.

If city residents are unwilling to fund a project through local revenues, it is generally inappropriate for statewide taxpayers to bear the cost.

From a taxpayer fairness perspective, the best tax is a user fee (a charge paid by those who directly use or benefit from a service). User fees ensure that the costs of providing a service are borne by the people who use it, not subsidized by those who do not. This approach promotes equity and cost awareness, while keeping general taxes lower for everyone.

Cities should fund local services with local dollars whenever possible through user-based revenue. This approach maintains accountability, preserves taxpayer fairness, and keeps decision-making in the hands of the residents most affected by those choices.