



Objective:

# Redistribute fiscal resources


- Provide way for communities to share in region's growth
- Reduce competition for tax base
- Work within existing system of local governments & local decision making



Objective:

# Promote better planning

- Encourage regional cooperation
- Make resources available for early development & redevelopment
- Encourage environmental protection



# How fiscal disparities works: Contribution

- 40% of CI growth since 1971 goes into area-wide pool (area-wide tax base)
  - Growth in taxable value of commercial, industrial, public utility & other property
  - Tax base for most CI property = 2% of market value



# How fiscal disparities works: Distribution

- Redistribute area-wide tax base based on population & market value of all property in community compared to metro average
  - Community with relatively low market value per capita (fiscal capacity) receives larger share of area-wide tax base