

# Cost of Community Services Study

Blount County, Tennessee

prepared by  
American Farmland Trust

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*American Farmland Trust* (AFT) is a private, nonprofit conservation organization founded in 1980 to protect our nation's strategic agricultural resources. AFT works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. AFT provides a variety of services to landowners, land trusts, public officials, planners, agricultural agencies and others. Services include Cost of Community Services studies, workshops on farmland protection and estate planning, farmland protection program development and agricultural economic analysis.

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## **EXECUTIVE SUMMARY**

At the request of the Tennessee Farm Bureau Federation, American Farmland Trust (AFT) conducted a Cost of Community Services (COCS) study to find out the current net fiscal impact of existing land uses in Blount County, Tennessee. The study analyzes revenues and expenditures on a land use basis for fiscal year 2005 (July 2004 to June 2005). It examines revenues by land use and the financial demands of public services (e.g., public safety, government administration, schools, courts, etc.) and shows the cost of providing these services to residential, commercial and industrial, and farm and forest land uses.

AFT focused on the county budget because it represents revenues and expenditures for the largest portion of the government services provided to Blount County. The study does not analyze services provided by the cities of Maryville and Alcoa.

### **The COCS study found that in Blount County:**

- 77 percent of revenue in fiscal year 2005 was generated by residential land uses; 21 percent was generated by commercial and industrial land uses; and 2 percent by farm and forest land;
- 94 percent of county expenditures were used to provide services for residential land use compared with 5 percent for commercial and industrial uses and 1 percent for farm and forest land.

In other words, for each \$1 of revenue received from residential properties in fiscal year 2005, Blount County spent \$1.23 providing services to those lands. For each \$1 from commercial and industrial land uses, the county spent 25 cents; and for each \$1 received from farm, forest and open land uses, the county spent 41 cents providing services.

Residential land uses created a deficit of \$22.3 million, which was offset by the other two land use categories: \$20.9 million from commercial and industrial and the \$1.4 million surplus paid by farm and open land. The Blount County COCS findings demonstrate that a balance of land uses is necessary to ensure fiscal stability. While residential development contributes the largest amount of revenue, its net fiscal impact is negative. Commercial and

industrial development net revenues offset the majority of the shortfall. Commercial and industrial land generated significant revenue from property tax since it is assessed at higher rates than residential and farm properties and because several other tax revenues are businesses related.

Farm and forest land net revenues contribute the balance of surplus revenue for county services. Agricultural lands pay more in local tax revenues than they receive in services. Differential property tax programs are justified as a way to provide an incentive to keep land open and in active agricultural use. Even with a reduced assessed value, agricultural properties contribute a surplus of revenue to pay for public services for residents of Blount County.

### Study Findings

<b>Blount County</b>	<b>FY 2005 Actual</b>	<b>Residential</b>	<b>Commercial &amp; Industrial</b>	<b>Farm &amp; Forest</b>
a) Total Revenues	\$ 129,439,575	\$ 99,269,746	\$ 27,833,267	\$ 2,336,562
b) Total Expenditures	\$ 129,498,335	\$ 121,643,365	\$ 6,908,369	\$ 946,601
Net contribution (a-b)		\$ (22,373,618)	\$ 20,924,898	\$ 1,389,960
Land use ratio*		\$1 / \$1.23	\$1 / \$0.25	\$1 / \$0.41

\* For each \$1 of revenue generated, the cost of services provided.

## **INTRODUCTION**

### **Blount County**

Blount County is located in eastern Tennessee, bordered on the east by the Great Smoky Mountains National Park and on the west by the series of lakes created by the Tennessee Valley Authority. The county is adjacent to Knox County and the City of Knoxville. It encompasses 584 square miles, or 373,760 acres. In 2000, the county population was 105,823, an increase of 19,845 from 1990 or 19 percent.<sup>1</sup>

In 2004, the county's 62,494 properties had an assessed value of almost \$1.9 billion and an appraised value of \$6.9 billion.<sup>2</sup> Over 100 manufacturing plants can be found in Blount County. The principal employer for the residents of the county is the Aluminum Company of America (Alcoa), with approximately 2,050 employees. Blount County's land use breakdown in fiscal year 2004 was as follows:

- 2,615 commercial and 91 industrial properties – all property used, or held for use, for commercial, mining, industrial, manufacturing, trade, professional, club (public or private), nonexempt lodge, business, or similar purpose is classified as industrial and commercial. Additionally, all real property which is used, or held for use, for dwelling purposes that contains two or more rental units falls under this classification;
- 54,332 residential properties – all single family residences, owner-occupied duplexes, and condominiums are classified as residential;
- 677 farm properties – farm property includes all real property used for, or held for use, in agriculture, including but not limited to, growing crops, pastures, orchards, nurseries, plants, trees, timber, raising livestock or poultry, or the production of raw dairy products, and acreage used for recreational purposes by clubs;
- 1,912 agricultural properties – farms enrolled in the Greenbelt Program and valued at current use rather than market value;

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<sup>1</sup> U.S. Census Bureau, 1990, 2000

<sup>2</sup> Tennessee Comptroller of the Treasury, Division of Property Assessments, 2004 Assessment Summary

- 356 forest properties – land constituting a forest unit engaged in the growing of trees under a sound program of sustained yield management enrolled in the Greenbelt Program and valued at current use rather than market value; and
- 3 mineral properties.

Agriculture is a significant sector of the county economy. The 2002 Census of Agriculture reported 1,302<sup>3</sup> farms in Blount County operating on 105,148 acres of farmland, or 28 percent of the county. The average farm was 81 acres with an estimated average market value of land and buildings of \$428,810.

The market value of agricultural products sold was \$24,486,000. The top selling agricultural products included nursery, greenhouse, floriculture and sod (\$11,720,000); cattle and calves (\$6,039,000); milk and other dairy products (\$2,700,000); grains, oilseeds, dry beans and dry peas (\$1,095,000); and vegetables, melons, potatoes and sweet potatoes (\$1,057,000). There were 850 workers employed in agriculture with a payroll of \$3,183,000.

At the request of the Tennessee Farm Bureau Federation, AFT conducted a COCS study to find out the current net fiscal impact of existing land uses in Blount County, Tennessee. At the same time, similar studies were conducted in Tipton County in the western part of the state and in Robertson County in the center of the state. Of the three counties, Blount is the most urbanized. The goal of this COCS study is not to prescribe a course of action but to provide reliable financial data to help officials make informed planning decisions and to evaluate strategies to maintain a balance in the distribution of land uses in the future.

AFT developed this low-cost fiscal analysis to contribute local knowledge to decisions about land use. By using a community's own statistics and financial, land use and economic data, COCS studies help move public dialogue from speculation to projection—from emotion to analysis. The results of this COCS study show the average fiscal impacts of Blount's current land uses.

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<sup>3</sup> An operating farm may contain several tax parcels.

### **Cost of Community Service Studies**

A COCS study is a case study analysis of the net fiscal impacts of existing land uses on local budgets. It provides a snapshot in time of costs versus revenues based on current land use. COCS studies are based on real budgets in a recent and discrete fiscal period. They are ground-truthed and descriptive, making them different from traditional fiscal impact analysis, which are predictive and speculative. COCS studies show what services taxpayers receive from their local government and how local government revenues and expenditures relate to land use.

The process of conducting a COCS study is relatively straightforward and easy to understand. Local budgetary information is allocated to major land use categories. The studies rely on budget and financial records and in-depth interviews with local government officials and budget managers to understand how revenues were generated and how appropriations were spent during a recent year.

AFT developed the COCS approach to investigate three common claims often heard at community meetings:

1. Open lands—including working agricultural and forest lands—are an interim land use that should be developed to their “highest and best use”;
2. Agricultural land gets an “unfair” tax break when it is assessed at its actual use value for agriculture instead of at its potential use value for development;
3. Residential development will lower property taxes by increasing the tax base.

While it is true that an acre of land with a new house generates more total revenue than an acre of farmland, this tells us little about a community’s fiscal balance. In areas where farming and forestry are important industries, it is especially relevant to consider the fiscal contributions of privately owned natural resource lands. Farm, forest and open lands generate less revenue than residential, commercial or industrial properties, but they require little public expenditure due to their modest demands for infrastructure and public services. COCS studies determine the *net* fiscal impact of land uses in the present by comparing total revenues to total expenditures to ascertain the overall contribution of different land uses.

There are three basic steps in the process of conducting a COCS study:

1. Collect data: Obtain relevant reports and other financial records, interview officials, boards and departments.
2. Allocate revenues and expenditures by land use.
3. Analyze data and calculate ratios.

The following section explains how these steps were followed in Blount County.

## **COCS METHOD IN BLOUNT COUNTY**

The COCS study focused on the county budget because it represents revenues and expenditures for the largest portion of government services provided to residents living in Blount County. The study covers countywide services and includes every parcel of land in the county, but it does not include city and town services. Including the allocation of municipal budgets by land use would require separate studies beyond the scope of this effort. Since the municipalities contain very little farmland, a study of their services would only show residential and commercial land use revenue and expenditures.

Before the study began, AFT contacted public officials to set up interviews, to understand local issues related to budgets, and to define land use categories. After a review of the county property tax classification system, three land use categories were defined for this study:

- ***Residential Development*** – property used for dwellings, *including farmhouses*, mobile homes, and rental units.
- ***Commercial and Industrial Development*** – property actively used for business purposes other than agricultural or forestry, including retail and wholesale production.
- ***Farm and Forest Land*** – all farm, agricultural and forest parcels, including those qualifying for reduced assessment under Tennessee’s Greenbelt Program.

### **Collected Data and Interviews**

Interviews were conducted with county officials to obtain relevant information and to collect necessary documents. The Blount County Annual Financial Report for fiscal year 2005 contains descriptions of services provided by all county departments including: general government, judicial administration, public safety, highways and public works, public health and welfare, and agricultural extension. The budget was reviewed to gain an understanding of the nature of services provided by county departments.

Information from county financial documents for fiscal year 2005 for both general and special funds were entered into spreadsheets and allocated by land use. General fund services to county residents and businesses include: general government, administration of justice, public safety, public health and welfare, and other operations such as tourism and industrial development. Special Funds include the public library, highways and public works, general debt service, capital projects and education. Other organizations that receive county funds, but are not administered by the county, such as the Agricultural Extension and Soil Conservation, also were analyzed.

### **Allocate Revenues and Expenditures by Land Use**

Officials were asked to provide records showing how revenue was generated by land use and to what extent each land use was served by an expenditure. The next step involved allocating all fiscal year 2005 revenues and expenditures to the land use categories based on the information gathered from reports and interviews. Appendix A of this report shows the allocation of all revenues and expenditures by land use for county services.

### **Revenues**

Revenues under the Blount County general fund are listed in order by local, state and federal sources. Local sources include general property taxes, local option taxes, statutory local taxes, licenses and permits, fines and forfeitures, charges for services and fees received from county officials. State sources of revenue include grants, redistribution of sales taxes and contracted prisoner boarding. Federal sources of revenue mostly are grants dedicated to a specific purpose such as community development, civil defense or homeland security. Revenues were categorized according to the land use source for that particular item.

Real property taxes are collected for the general fund and a number of special funds, such as highways and public works, solid waste and education, and were allocated based on a review of all property assessments. Property in Tennessee is classified based on its use, and statutory assessment percentages are applied to appraised values as follows:

- Residential property at 25 percent
- Agricultural, farm and forest property at 25 percent
- Commercial and industrial property at 40 percent
- Public utility property at 55 percent
- Business personal property at 30 percent

For example, a residence appraised at \$100,000 would have an assessed value of \$25,000 for tax purposes, while a business at the same appraised value would be assessed at \$40,000 and pay proportionally more in property taxes.

The breakdown of property tax revenues into land use classes was available from the assessor of property. The county's property categories had to be classified into the three land use categories used for this study.

***Residential Development*** – Mobile homes were included in the residential category because of the nature of public service demands.<sup>4</sup> Likewise, the value of farmhouses on both farm and agricultural properties is included in the residential category to correspond with services demanded by homeowners separate from the agricultural business. Houses on farm properties were about 24 percent of the value of the farm property class. Houses on agricultural properties were about 8 percent of the value, while residences on forest property represented about 69 percent of the value. The assessed value of all of these residences and associated development sites were moved to the residential category for this study to compute the value of property taxes paid by “residential” properties.

***Commercial and Industrial Development*** – This land use category included the total real property value of commercial, industrial and mineral properties as well as the value of

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<sup>4</sup> Farmhouses are a residential use demanding services similar to other residential properties. The residents of the house may go to school, often require ambulances and police service, participate in local recreation, vote, buy licenses, go to court for domestic disputes, etc. These services are not provided to the agricultural land. Tennessee's Greenbelt agricultural valuation program recognizes this difference by lowering taxes on the land but not the house.

personal property<sup>5</sup> under the commercial and industrial categories. Public utility parcel values would normally be included under this category, but these properties are appraised by the state and taxed separately.

***Farm and Forest Land*** – Agricultural land in Blount County is included both in the farm and agricultural categories. Land classified as agricultural is enrolled in Tennessee’s greenbelt agricultural valuation process, and therefore is appraised at the value of its current use, rather than at the value of its potential use for development. Land classified as farm properties (not in greenbelt) are appraised at full market value and assessed at 25 percent for tax purposes. Forest properties are also enrolled in the greenbelt program and are appraised at current use value.

Appendix B shows how land is classified for assessment purposes in Blount County and how all or a portion of the taxable value of these classes was moved to fit the defined land use categories of this study. The land use contribution of tax revenues resulted in the following:

- 65.9 percent from residential development;
- 29.8 percent from commercial and industrial development; and
- 4.29 percent from farm, agricultural and forest land.

Other local taxes, such as the hotel/motel tax, wholesale beer tax and interstate telecommunications tax were included as commercial revenue. Permits, fees and licenses were allocated by land use. Marriage licenses, for example, are generated as residential revenue. State and federal government grants were allocated according to the type of program that received the income, because the revenue was provided to pay for specific services. For example, all federal and state funding for education is counted as residential revenue.

Another important source of county revenue is the local sales tax levied on products sold in the county. Sales tax revenue was divided between residential and commercial land use. Even though sales tax is generated from commercial land use, primarily county residents

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<sup>5</sup> Personal property taxes are levied on temporary or moveable property such as business furnishings, office machines, computers, equipment, telephones, vehicles and other such items (except real estate), which is used by a company or a person to operate a business.

pay it, with the businesses acting as pass-through agents. It is different from taxes or fees generated by a business out of operating expenses. However, it could also be argued that without commercial establishments, there would be no sales tax revenue in the county. After considering several alternatives, 63 percent of local sales tax revenues were attributed to residential and 37 percent to commercial land use.<sup>6</sup> Business purchases by farmers and tangible property used for agricultural production for market are exempt from sales tax.

### **Expenditures**

County officials and department heads were interviewed to determine how county expenditures should be allocated to the three land use categories. Department heads gave an overview of their services and identified any reports (dispatch records, permit summaries, organizational charts) and other secondary sources of information. In the interviews AFT explained what land uses were included in each of the COCS study classifications. Officials were asked which land use was served by each expenditure.

Court expenses were allocated by reviewing case file statistics. Several service expenditures were clearly residential, such as libraries, the local health center, dental health and general welfare assistance. Tourism, industrial development and other economic and community development expenditures were allocated to commercial and industrial land use. All education expenditures including operating, debt service and capital projects were included as residential. Significant portions of the expenditures for the Soil Conservation District and the Agricultural Extension Office were allocated to farm and forest land based on interviews.

Local road and highway costs are one of the most difficult to allocate by land use. There are so many different users of each road that it is challenging to determine what percentage originates from residential, commercial/industrial, or farm and forest lands. In this study, a combination of data from the Tennessee Department of Transportation and local land use values was used to come up with an allocation. Vehicle Miles Traveled (length of road

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<sup>6</sup> Based on information provided by the Tennessee Advisory Commission for Intergovernmental Relations (TACIR) (May 1, 2006, article in State Tax Notes by Cline, Neubig, and Phillips).

times number of average daily trips) by road segment (minor arterial, major collector, minor collector, local) was obtained from the Highway Performance Monitoring System and totaled to determine the percentage of rural and urban highway use. Urban mileage was then divided between residential and commercial use, while rural travel was divided between all three categories of land use. The percentage derived from this calculation (see Table 1) was used to allocate the highway expenditures and some of the state revenues provided for highway maintenance.

<b>Table 1. Allocation of Highway Related Funds</b>				
<b>Vehicle Miles Traveled (VMTs) from the TN Highway Performance Monitoring System*</b>				
Road Classification	Rural	Urban	Total	
Minor Arterial	99,394	427,531	526,925	
Major Collector	43,914	358,947	402,861	
Minor Collector	113,983	0	113,983	
Local	<u>198,583</u>	<u>509,103</u>	<u>707,686</u>	
Total	455,874	1,295,581	1,751,455	
<b>Land Use Percentage Calculation</b>				
Road breakdown	VMTs	Residential	Commercial/ Industrial	Farm and Forest
Rural	455,874	358,522	73,550	23,802
Land use percentage		79%	16%	5%
Urban	1,295,581	1,075,039	220,542	0
Land use percentage		83%	17%	0%
Total	920,491	748,514	131,293	40,879
Final Percentage for Highways		<b>82%</b>	<b>17%</b>	<b>1%</b>
*Vehicle miles traveled on Interstate and Principal Arterials are not included because they are not maintained by the county highway department.				

Calculation of “Fallback” and “Administrative” Percentages

Even after extensive record searches, in a few cases, it was not possible to attribute specific line items to the land use categories. For example, administrative salaries and public buildings serve the entire county in a general capacity. In this situation, either a land use fallback or general administrative breakdown was applied. The land use fallback was calculated based on the percentage of appraised value, rather than the assessed value used for tax billing, represented by real property. The appraised value of real property was

chosen as a default because it represents the relative value of different properties and their associated demands for service. The administrative number was based on the total percentages by land use for all revenues and expenditures in the general fund.

Appendix C shows how land is classified for appraisal purposes in Blount County and how all or a portion of the value of these classes was moved to fit the defined land use categories of this study. As a result of these calculations, fallback numbers for residential land (78 percent), commercial and industrial land (16 percent), and farm, agricultural and forest land (5 percent) were determined. Budget items allocated using fallback and administrative percentages are shown in the following tables. These allocations represent about 2 percent of county revenues and 4 percent of expenditures.

<b>Table 2. Budget Items Allocated Using a Fallback Number</b>				
<b>Item</b>	<b>Actual FY 05</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Farm and Forest Land</b>
<b>Revenue</b>				
Lease/Rentals	\$ 24,001	\$ 18,876	\$ 3,872	\$ 1,253
Register of Deeds Fees	\$ 936,795	\$ 736,742	\$ 151,141	\$ 48,912
State Reappraisal Grant	<u>\$ 37,582</u>	<u>\$ 29,556</u>	<u>\$ 6,063</u>	<u>\$ 1,962</u>
Total revenue items	<b>\$ 998,378</b>	<b>\$ 785,174</b>	<b>\$ 161,076</b>	<b>\$ 52,128</b>
Percent of county revenues	0.77%	0.79%	0.58%	2.23%
<b>Expenditure</b>				
Board of Equalization	\$ 920	\$ 723	\$ 148	\$ 48
Register of Deeds	\$ 439,113	\$ 345,340	\$ 70,846	\$ 22,927
Property Assessor	\$ 783,848	\$ 616,457	\$ 126,465	\$ 40,926
Reappraisal Program	\$ 237,727	\$ 186,960	\$ 38,354	\$ 12,412
Fire Prevention and Control	<u>\$ 4,500</u>	<u>\$ 3,539</u>	<u>\$ 726</u>	<u>\$ 235</u>
Total expenditure items	<b>\$ 1,466,107</b>	<b>\$ 1,153,020</b>	<b>\$ 236,539</b>	<b>\$ 76,549</b>
Percent of county expenditures	1.13%	0.95%	3.42%	8.09%

<b>Table 3. Budget Items Allocated Using an Administrative Percentage</b>				
<b>Item</b>	<b>Actual FY05</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Farm and Forest Land</b>
<b>Revenue</b>				
Copier Fees	\$ 5,319	\$ 3,195	\$ 1,966	\$ 157
Data Processing Fees, Register	\$ 62,905	\$ 37,791	\$ 23,251	\$ 1,862
Interest Earned	\$ 184,124	\$ 110,616	\$ 68,057	\$ 5,451
Sale of Supplies, Maps, Misc.	\$ 2,077	\$ 1,249	\$ 768	\$ 61
Insurance Recovery	\$ 19,452	\$ 11,686	\$ 7,190	\$ 576
Sale of Equipment	\$ 22,539	\$ 13,541	\$ 8,331	\$ 667
Records Management Fees	\$ 1,224	\$ 735	\$ 452	\$ 36
Miscellaneous	\$ 5,972	\$ 3,588	\$ 2,207	\$ 177
Telephone Re-Payment	\$ 4,278	\$ 2,570	\$ 1,581	\$ 127
Trustee Fees	<u>\$ 1,486,142</u>	<u>\$ 892,827</u>	<u>\$ 549,320</u>	<u>\$ 43,995</u>
<b>Total revenue items</b>	<b>\$ 1,794,031</b>	<b>\$ 1,077,796</b>	<b>\$ 663,125</b>	<b>\$ 53,110</b>
Percent of county revenues	1.39%	1.09%	2.38%	2.27%
<b>Expenditures</b>				
County Commission	\$ 322,445	\$ 262,793	\$ 52,881	\$ 6,771
Budget and Fin. Committee	\$ 3,239	\$ 2,640	\$ 531	\$ 68
County Mayor	\$ 247,372	\$ 201,608	\$ 40,569	\$ 5,195
Personnel Office	\$ 131,761	\$ 107,385	\$ 21,609	\$ 2,767
County Buildings	\$ 989,455	\$ 806,406	\$ 162,271	\$ 20,779
Other General Administration	\$ 125,482	\$ 102,268	\$ 20,579	\$ 2,635
Preservation of Records	\$ 89,136	\$ 72,646	\$ 14,618	\$ 1,872
Risk Management	\$ 176,974	\$ 144,234	\$ 29,024	\$ 3,716
Accounting and Budgeting	\$ 587,958	\$ 479,186	\$ 96,425	\$ 12,347
Purchasing	\$ 237,741	\$ 193,759	\$ 38,989	\$ 4,993
County Trustee	\$ 353,685	\$ 288,253	\$ 58,004	\$ 7,427
Data Processing	<u>\$ 555,065</u>	<u>\$ 452,378</u>	<u>\$ 91,031</u>	<u>\$ 11,656</u>
<b>Totals expenditure items</b>	<b>\$ 3,820,313</b>	<b>\$ 3,113,555</b>	<b>\$ 626,531</b>	<b>\$ 80,227</b>
Percent of county expenditures	2.95%	2.56%	9.07%	8.48%

**Analyze data and calculate ratios**

The final step was to analyze the data gathered and evaluate the actual budgets using a spreadsheet. The dollar amount for each line item of the budget was allocated among the three land use categories. The amounts were entered for each line item, and total revenues and total expenditures were summed for each of the three land use categories.

The total net surplus was calculated by comparing total revenues to total expenditures in each category. The county budget allocations are included as Appendix A. This information is also presented as ratios to show the actual expenditure for every dollar raised (See Table 4 on page 17). The findings were checked for accuracy.

Finally, draft findings were sent to the study sponsors for their review and comments. These comments were discussed with the sponsors and incorporated into the final report.

## FINDINGS

In fiscal year 2005, Blount County residential land use generated \$99.3 million in revenues to cover residential land use expenditures of \$121.6 million. Comparing revenues to expenditures shows that residential land use had a \$22.3 million shortfall, which was covered by a \$1.4 million surplus from farm and forest land revenues and \$20.9 million from other commercial/industrial properties. Commercial and industrial land use generated proportionately greater revenues because properties are taxed at the statutory 40 percent assessment rate versus the 25 percent for residential, farm, agricultural and forest properties.

Findings for Blount County are presented in the table below. The first two rows of the table show the total dollar amounts allocated to each land use for revenues and expenditures. The third row shows the net financial impact for each land use. This was determined by comparing the revenues generated with the expenditures provided. The next row of the table presents this same information in ratio form. This is a clear way to see how much each land use costs for each dollar of revenue that it generates for the county.

The land use ratios show the costs required per \$1 of revenue generated in fiscal year 2005. For each \$1 of revenue received from residential properties, the county spent \$1.23 providing services. For each \$1 from commercial and industrial land uses, the county spent 25 cents, and for each \$1 received from farm and forest lands, the county spent 41 cents providing services.

<b>Blount County</b>	<b>FY 2005 Actual</b>	<b>Residential</b>	<b>Commercial and Industrial</b>	<b>Farm and Forest</b>
a) Total Revenues	\$129,439,575	\$ 99,269,746	\$ 27,833,267	\$ 2,336,562
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Net contribution (a-b)		\$(22,373,618)	\$ 20,924,898	\$ 1,389,960
Land use ratio*		\$1 / \$1.23	\$1 / \$0.25	\$1 / \$0.41
Percent of revenue by land use		77%	21%	2%
Percent of expenditure by land use		94%	5%	1%

\* For each \$1 of revenue generated, the cost of services provided.

## **DISCUSSION**

COCS studies provide a baseline of information to help local officials and citizens make informed land use decisions. They offer the benefit of hindsight to see the effect of development patterns to date. They also demonstrate the fiscal importance of privately owned land in farm and forest uses.

The ratios found in Blount County are somewhat unusual for COCS studies. The residential ratio of \$1 of revenue to \$1.23 expenditure is higher than the national median of \$1.15. A higher residential ratio in a COCS study shows that the other land use categories (in this case, commercial and industrial land) are providing a substantial amount of revenue that allows the county to reduce the burden of services to residential properties. The farmland ratio of \$1 of revenue to 41 cents expenditure is slightly higher than the national median of 36 cents. The commercial and industrial land use ratio of \$1 to 25 cents is slightly lower than the national median number of 28 cents for these studies. This is partially due to the practice of assigning higher assessed values for commercial and industrial properties in Tennessee. There is also a significant contribution from these properties from an assortment of business related taxes including the local option sales, bank excise, wholesale beer sales, and hotel and motel taxes.

The purpose of a COCS study is to determine the net fiscal contribution of farm and forest lands so these lands may be duly considered in the planning process, not to recommend one type of land use over another. Because the studies are descriptive, they should not be used to predict the impact of a single development or to project future costs of services created by new development. COCS studies are not designed to judge the value of one land use over another or to compare one type of new development to another.

The results of this study provide reliable financial information that demonstrates the importance of agricultural and forest lands to the fiscal balance of Blount County. It suggests that development of strategies to retain this land base for future agriculture would be a good long-term investment and that:

- Differential property tax programs are justified as a way to provide an incentive to keep land open and in active agricultural use. Even with a reduced assessed value, agricultural properties contribute a surplus of revenue to pay for public services for residents of Blount County.
- Taxes and other revenues from residential development do not cover all the public services residents receive from the county.
- Agricultural lands pay more in local tax revenues than they receive in services. A balance of land uses, including agricultural lands, is needed to provide adequate revenue to pay for these services.

The findings of this study show the fiscal benefits that result from agricultural and forest lands and factual information to help residents understand the delicate fiscal balance between taxes, other community revenues and the costs of public services.

With product sales of over \$24 million in 2002, agriculture is an important part of the county economy. The top selling agricultural products were nursery, greenhouse, floriculture and sod, reflecting an urbanizing county with nearby markets for those products. There were also 850 workers employed in agriculture with a payroll of \$3,183,000. Agricultural lands still represent about one-quarter of the land area of the county but are threatened by development. Any future efforts to preserve this land base and improve economic development efforts that promote this local industry will also yield greater fiscal revenues.

This information should be useful for county leaders and residents when faced with land use decisions now and in the future. In addition to helping maintain fiscal balance, agricultural lands help sustain Blount County's economy, contribute to economic diversity and rural character, and help shape the overall quality of life in the region.

## **APPENDICES**

- A. Blount County Revenues and Expenditures**
- B. Real and Personal Property – Land Use Tax Calculation**
- C. Real Property – Fallback Calculation**

REVENUES	Actual	Residential	Commercial/ Industrial	Farm and Forest	Land Use %			Source/ Purpose
<b>GENERAL FUND</b>								
<b>County Property Taxes</b>								
Current Property Tax	\$ 14,771,325	\$ 9,740,283	\$ 4,397,038	\$ 634,005	65.9%	29.8%	4.3%	property tax
Discount on Property Taxes	\$ (189,754)	\$ (125,125)	\$ (56,485)	\$ (8,145)	65.9%	29.8%	4.3%	property tax
Trustee's Collections - Prior Year	\$ 637,272	\$ 420,220	\$ 189,699	\$ 27,353	65.9%	29.8%	4.3%	property tax
Circuit/Clerk & Master Collections	\$ 118,696	\$ 78,268	\$ 35,333	\$ 5,095	65.9%	29.8%	4.3%	property tax
Interest and Penalty	\$ 84,975	\$ 56,033	\$ 25,295	\$ 3,647	65.9%	29.8%	4.3%	property tax
Pick-up Taxes	\$ 96,704	\$ 63,767	\$ 28,786	\$ 4,151	65.9%	29.8%	4.3%	property tax
Payments in Lieu of Taxes, Local Utilities	\$ 135,838	\$ -	\$ 135,838	\$ -	0.0%	100.0%	0.0%	finance department
Payments in Lieu of Taxes, Other	\$ 138,349	\$ 91,228	\$ 41,183	\$ 5,938	65.9%	29.8%	4.3%	property tax
<b>Total Property Taxes</b>	<b>\$ 15,793,405</b>	<b>\$ 10,324,675</b>	<b>\$ 4,796,686</b>	<b>\$ 672,044</b>	<b>65.4%</b>	<b>30.4%</b>	<b>4.3%</b>	
<b>County Local Option Taxes</b>								
Hotel/Motel Tax	\$ 1,339,036	\$ -	\$ 1,339,036	\$ -	0.0%	100.0%	0.0%	finance department
County Clerk Litigation Tax	\$ 16,330	\$ 12,777	\$ 3,351	\$ 203	78.2%	20.5%	1.2%	court records
Litigation Tax-Equity Division	\$ 1,758	\$ 1,376	\$ 361	\$ 22	78.2%	20.5%	1.2%	court records
Litigation Tax-Circuit Court	\$ 10,113	\$ 8,985	\$ 1,066	\$ 61	88.8%	10.5%	0.6%	court records
Litigation Tax-Sessions Court	\$ 328,396	\$ 227,850	\$ 94,671	\$ 5,875	69.4%	28.8%	1.8%	court records
Litigation Tax-Chancery Court	\$ 556	\$ 500	\$ 53	\$ 3	90.0%	9.5%	0.5%	court records
J.Carroll-Gen.Ses.-Domestic Relations	\$ 19,397	\$ 19,397	\$ -	\$ -	100.0%	0.0%	0.0%	finance department
Business Tax	\$ 391,999	\$ -	\$ 391,999	\$ -	0.0%	100.0%	0.0%	finance department
Other County Local Option Taxes	\$ 11,841	\$ -	\$ 11,841	\$ -	<u>0.0%</u>	<u>100.0%</u>	<u>0.0%</u>	finance department
<b>Total Local Option Taxes</b>	<b>\$ 2,119,426</b>	<b>\$ 270,885</b>	<b>\$ 1,842,378</b>	<b>\$ 6,163</b>	<b>12.8%</b>	<b>86.9%</b>	<b>0.3%</b>	
<b>Statutory Local Taxes</b>								
Bank Excise Tax	\$ 163,315	\$ -	\$ 163,315	\$ -	0.0%	100.0%	0.0%	finance department
Wholesale Beer Tax	\$ 196,315	\$ -	\$ 196,315	\$ -	0.0%	100.0%	0.0%	finance department
<b>Total Statutory Local Taxes</b>	<b>\$ 359,630</b>	<b>\$ -</b>	<b>\$ 359,630</b>	<b>\$ -</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	
<b>Licenses and Permits</b>								
Animal Vaccination	\$ 669	\$ 669	\$ -	\$ -	100.0%	0.0%	0.0%	finance department
Cable TV Franchise	\$ 444,644	\$ -	\$ 444,644	\$ -	0.0%	100.0%	0.0%	finance department
Building Permits	\$ 254,618	\$ 167,411	\$ 87,207	\$ -	65.8%	34.3%	0.0%	planning department
Cleanup Fees	\$ 100	\$ -	\$ 100	\$ -	0.0%	100.0%	0.0%	finance department
Natural Gas Franchise Fees	\$ 51,344	\$ -	\$ 51,344	\$ -	0.0%	100.0%	0.0%	finance department
Adult Establishment LIC and Emp Permits	\$ 1,900	\$ -	\$ 1,900	\$ -	0.0%	100.0%	0.0%	finance department
<b>Total Licenses and Permits</b>	<b>\$ 753,275</b>	<b>\$ 168,080</b>	<b>\$ 585,195</b>	<b>\$ -</b>	<b>22%</b>	<b>78%</b>	<b>0%</b>	
<b>Fines, Forfeiture and Penalties</b>								
Officers Cost - Equity Court	\$ 5,872	\$ 5,311	\$ 505	\$ 56	90.5%	8.6%	1.0%	circuit court - criminal
Fines - Circuit Court	\$ 5,720	\$ 5,083	\$ 603	\$ 35	88.8%	10.5%	0.6%	circuit court - combined
Officers Cost - Circuit Court	\$ 30,959	\$ 28,004	\$ 2,661	\$ 294	90.5%	8.6%	1.0%	circuit court - criminal

REVENUES	Actual	Residential	Commercial/ Industrial	Farm and Forest	Land Use %			Source/ Purpose
<b>Fines, Forfeiture and Penalties (continued)</b>								
General Sessions Fines	\$ 124,943	\$ 86,689	\$ 36,019	\$ 2,235	69.4%	28.8%	1.8%	court records
Juvenile Probation	\$ 17,345	\$ 17,345	\$ -	\$ -	100.0%	0.0%	0.0%	court records
Officers Cost - Sessions Court	\$ 331,409	\$ 229,941	\$ 95,540	\$ 5,928	69.4%	28.8%	1.8%	court records
Officers Cost - Domestic Relations	\$ 21,469	\$ 21,469	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Officers Cost - Sheriff Info Tech	\$ 37,635	\$ 34,464	\$ 2,857	\$ 314	91.6%	7.6%	0.8%	sheriff's department
Circuit Court Clerk Fee	\$ 32,081	\$ 28,504	\$ 3,383	\$ 195	88.8%	10.5%	0.6%	court records
Game & Fish Fines - Sessions Court	\$ 1,289	\$ 645	\$ -	\$ 645	50.0%	0.0%	50.0%	residential
Jail Fees - Sessions Court	\$ 46,239	\$ 32,082	\$ 13,330	\$ 827	69.4%	28.8%	1.8%	general sessions
Public Defender Fees	\$ 54,808	\$ 38,027	\$ 15,800	\$ 980	69.4%	28.8%	1.8%	general sessions
Officers Cost - Chancery Court	\$ 8,008	\$ 7,207	\$ 764	\$ 37	90.0%	9.5%	0.5%	chancery court
Work Release Charges For Board	\$ 6,975	\$ -	\$ 6,975	\$ -	0.0%	100.0%	0.0%	commercial
Field Line Testing	\$ 239,321	\$ 215,389	\$ 23,932	\$ -	90.0%	10.0%	0.0%	environmental department
Records, Checks/Fingerprints	\$ 10,165	\$ 10,165	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Drug Testing - Inmates	\$ 50	\$ 50	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Drug Testing - Juvenile	\$ 2,177	\$ 2,177	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Inmates Transport	\$ 25	\$ 25	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Sex Offender Registry Fee	\$ 4,020	\$ 4,020	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Copier Fees	\$ 5,319	\$ 3,195	\$ 1,966	\$ 157	60.1%	37.0%	3.0%	administrative number
Telephone Commissions	\$ 25,059	\$ 25,059	\$ -	\$ -	100.0%	0.0%	0.0%	finance department
Data Processing Fees - Register	\$ 62,905	\$ 37,791	\$ 23,251	\$ 1,862	60.1%	37.0%	3.0%	administrative number
Signature Service - Planning	\$ 580	\$ 403	\$ 140	\$ 37	69.4%	24.2%	6.4%	planning
Subdivision Plats	\$ 15,040	\$ 10,443	\$ 3,639	\$ 958	69.4%	24.2%	6.4%	planning department
Interest Earned	\$ 184,124	\$ 110,616	\$ 68,057	\$ 5,451	60.1%	37.0%	3.0%	administrative number
Lease/Rentals	\$ 24,001	\$ 18,876	\$ 3,872	\$ 1,253	78.6%	16.1%	5.2%	fallback
Inmate Sales	\$ 646,689	\$ 646,689	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Sale of Supplies/Storeroom	\$ 995	\$ 598	\$ 368	\$ 29	60.1%	37.0%	3.0%	administrative number
Sale of Maps	\$ 336	\$ 202	\$ 124	\$ 10	60.1%	37.0%	3.0%	administrative number
Speciality Maps	\$ 735	\$ 442	\$ 272	\$ 22	60.1%	37.0%	3.0%	administrative number
Miscellaneous Refunds	\$ 11	\$ 7	\$ 4	\$ 0	60.1%	37.0%	3.0%	administrative number
Insurance Recovery	\$ 19,452	\$ 11,686	\$ 7,190	\$ 576	60.1%	37.0%	3.0%	administrative number
Sale of Equipment	\$ 22,539	\$ 13,541	\$ 8,331	\$ 667	60.1%	37.0%	3.0%	administrative number
Damages Recover - Individuals	\$ 345	\$ 345	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Contributions & Gifts	\$ 8,125	\$ 8,125	\$ -	\$ -	100.0%	0.0%	0.0%	finance department
Records Mgmt Copier Fees	\$ 1,224	\$ 735	\$ 452	\$ 36	60.1%	37.0%	3.0%	administrative number
Out of County Research Fee for Rec	\$ 249	\$ 249	\$ -	\$ -	100.0%	0.0%	0.0%	finance department
Miscellaneous	\$ 5,972	\$ 3,588	\$ 2,207	\$ 177	60.1%	37.0%	3.0%	administrative number
Fees - Data Processing	\$ 676	\$ 676	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Misc Rev - Visitors Bureau	\$ 2,707	\$ 2,246	\$ 461	\$ -	83.0%	17.0%	0.0%	res/comm percentage
Telephone Re-Payment	\$ 4,278	\$ 2,570	\$ 1,581	\$ 127	60.1%	37.0%	3.0%	administrative number
Court Costs - Circuit Court	\$ 20,704	\$ 18,395	\$ 2,183	\$ 126	88.8%	10.5%	0.6%	court records
Court Costs - General Sessions	\$ 4,184	\$ 2,903	\$ 1,206	\$ 75	69.4%	28.8%	1.8%	general sessions
Salary Reimb/Sheriffs Dept	\$ 264,245	\$ -	\$ 264,245	\$ -	0.0%	100.0%	0.0%	sheriff's department

REVENUES	Actual	Residential	Commercial/ Industrial	Farm and Forest	Land Use %			Source/ Purpose
<b>Fines, Forfeiture and Penalties (continued)</b>								
Jail Fees - Board Bill	\$ 1,560	\$ 1,560	\$ -	\$ -	100.0%	0.0%	0.0%	finance department
Ozone Air Quality Study	\$ 2,500	\$ -	\$ 2,500	\$ -	0.0%	100.0%	0.0%	commercial
County Clerk Fees	\$ 988,261	\$ 840,110	\$ 148,060	\$ 92	85.0%	15.0%	0.0%	county clerk
County Clerk Interest	\$ 13,249	\$ 11,263	\$ 1,985	\$ 1	85.0%	15.0%	0.0%	county clerk
Circuit Court Clerk Fee	\$ 193,789	\$ 172,180	\$ 20,433	\$ 1,176	88.8%	10.5%	0.6%	circuit court records
General Sessions Clerk Fees	\$ 1,229,335	\$ 852,946	\$ 354,398	\$ 21,991	69.4%	28.8%	1.8%	general sessions number
General Sessions Clerk Interest	\$ 303	\$ 211	\$ 87	\$ 5	69.4%	28.8%	1.8%	general sessions number
Clerk & Master Fees	\$ 248,537	\$ 223,667	\$ 23,717	\$ 1,153	90.0%	9.5%	0.5%	chancery court records
Clerk & Master Interest	\$ 3,567	\$ 3,210	\$ 340	\$ 17	90.0%	9.5%	0.5%	chancery court records
Register of Deeds Fees	\$ 849,955	\$ 668,446	\$ 137,130	\$ 44,378	78.6%	16.1%	5.2%	fallback
Register of Deeds Interest	\$ 910	\$ 716	\$ 147	\$ 48	78.6%	16.1%	5.2%	fallback
Register of Deeds 2 1/2% Comm	\$ 85,930	\$ 67,580	\$ 13,864	\$ 4,487	78.6%	16.1%	5.2%	fallback
Sheriff Fees	\$ 48,800	\$ 44,688	\$ 3,705	\$ 407	91.6%	7.6%	0.8%	sheriff's dept.
Trustee Fees	\$ 1,486,142	\$ 892,827	\$ 549,320	\$ 43,995	60.1%	37.0%	3.0%	administrative number
Juvenile Services Program	\$ 2,520	\$ 2,520	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Commission on Child and Youth Gran	\$ 20,788	\$ 20,788	\$ -	\$ -	100.0%	0.0%	0.0%	residential
State Reappraisal Grant	\$ 37,582	\$ 29,556	\$ 6,063	\$ 1,962	78.6%	16.1%	5.2%	fallback
Tourism Grant	\$ 86,000	\$ -	\$ 86,000	\$ -	0.0%	100.0%	0.0%	commercial
State Drug Court Program	\$ 1,308	\$ 1,308	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Hishway Safety Grant	\$ 283,300	\$ 231,881	\$ 47,570	\$ 3,850	81.8%	16.8%	1.4%	highway VMT percentage
Health Dept Programs	\$ 201,948	\$ 201,948	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Litter Program	\$ 56,277	\$ 46,697	\$ 9,580	\$ -	83.0%	17.0%	0.0%	residential/commercial split
Federal Thru State/DOJ WMD Grang	\$ (80,474)	\$ (63,289)	\$ (12,984)	\$ (4,202)	78.6%	16.1%	5.2%	fallback
Income Tax	\$ 250,489	\$ 207,850	\$ 42,640	\$ -	83.0%	17.0%	0.0%	res/comm percentage
Beer Tax	\$ 16,778	\$ -	\$ 16,778	\$ -	0.0%	100.0%	0.0%	commercial
Alcoholic Beverage Tax	\$ 95,544	\$ -	\$ 95,544	\$ -	0.0%	100.0%	0.0%	commercial
Mixed Drink Tax	\$ 40,199	\$ -	\$ 40,199	\$ -	0.0%	100.0%	0.0%	commercial
Contracted Prisoner Board	\$ 1,028,048	\$ 918,278	\$ 82,932	\$ 26,838	89.3%	8.1%	2.6%	Use jail number
Registrar's Salary Supplement	\$ 12,285	\$ 12,285	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Juvenile Court Home Base	\$ 144,586	\$ 144,586	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Social Security Reimbursement	\$ 8,281	\$ 8,281	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Other Fed Thru State - TEMA	\$ 242,282	\$ 115,084	\$ 127,198	\$ -	47.5%	52.5%	0.0%	emergency management
Contracted Prisoner Board - Federal	\$ 1,616,265	\$ 1,443,688	\$ 130,383	\$ 42,194	89.3%	8.1%	2.6%	jail records
Federal Drug Court Grant	\$ (112,082)	\$ (112,082)	\$ -	\$ -	100.0%	0.0%	0.0%	residential
City of Maryville	\$ 63,391	\$ 44,457	\$ 18,585	\$ 349	70.1%	29.3%	0.6%	Maryville land use %
City of Alcoa	\$ 60,142	\$ 27,790	\$ 31,130	\$ 1,222	46.2%	51.8%	2.0%	Alcoa land use %
City Election Refund	\$ 5,873	\$ 5,873	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Donations - Flagpole	\$ 100	\$ 100	\$ -	\$ -	100.0%	0.0%	0.0%	residential
<b>Total Fines &amp; Forfeitures</b>	<b>\$ 11,535,274</b>	<b>\$ 8,752,977</b>	<b>\$ 2,569,223</b>	<b>\$ 213,073</b>	<b>75.9%</b>	<b>22.3%</b>	<b>1.8%</b>	
<b>Total General Fund</b>	<b>\$ 30,561,010</b>	<b>\$ 19,516,618</b>	<b>\$ 10,153,112</b>	<b>\$ 891,280</b>	<b>63.9%</b>	<b>33.2%</b>	<b>2.9%</b>	

REVENUES	Actual	Residential	Commercial/ Industrial	Farm and Forest	Land Use %			Source/ Purpose
<b>SPECIAL FUNDS</b>								
Courthouse & Jail Maintenance	\$ 8,605	\$ 6,733	\$ 1,766	\$ 107	78.2%	20.5%	1.2%	court records
Law Library	\$ 8,611	\$ 6,738	\$ 1,767	\$ 107	78.2%	20.5%	1.2%	court records
Public Library	\$ 1,049,938	\$ 681,388	\$ 363,342	\$ 5,209	64.9%	34.6%	0.5%	finance department
Drug Control	\$ 225,399	\$ 225,399	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Drug Court	\$ 206,632	\$ 206,632	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Highway/Public Works	\$ 5,883,295	\$ 2,700,140	\$ 3,150,361	\$ 32,794	45.9%	53.5%	0.6%	department interview
General Purpose School	\$ 62,630,193	\$ 53,190,502	\$ 8,764,700	\$ 674,992	84.9%	14.0%	1.1%	finance department
School Federal Projects	\$ 5,305,628	\$ 5,305,628	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Central Cafeteria	\$ 4,353,207	\$ 4,353,207	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Extended Day Care Program	\$ 1,396,807	\$ 1,396,807	\$ -	\$ -	100.0%	0.0%	0.0%	residential
<b>Total</b>	<b>\$ 81,068,316</b>	<b>\$ 68,073,173</b>	<b>\$ 12,281,936</b>	<b>\$ 713,208</b>	<b>84.0%</b>	<b>15.2%</b>	<b>0.9%</b>	
<b>General Debt Service Fund</b>								
Current Property Tax	\$ 8,334,865	\$ 5,496,050	\$ 2,481,072	\$ 357,744	65.9%	29.8%	4.3%	property tax
Discount On Property Taxes	\$ (107,041)	\$ (70,583)	\$ (31,863)	\$ (4,594)	65.9%	29.8%	4.3%	property tax
Trustee's Collections - Prior Years	\$ 360,067	\$ 237,430	\$ 107,183	\$ 15,455	65.9%	29.8%	4.3%	property tax
Cir.Clerk/Clerk & Master Coll. Pr. Yrs.	\$ 66,956	\$ 44,151	\$ 19,931	\$ 2,874	65.9%	29.8%	4.3%	property tax
Interest & Penalty	\$ 48,774	\$ 32,161	\$ 14,519	\$ 2,093	65.9%	29.8%	4.3%	property tax
Pick Up Taxes	\$ 56,431	\$ 37,211	\$ 16,798	\$ 2,422	65.9%	29.8%	4.3%	property tax
Payments In Lieu of Taxes - Local Utilities	\$ 76,626	\$ -	\$ 76,626	\$ -	0.0%	100.0%	0.0%	commercial
Business Tax	\$ 222,026	\$ -	\$ 222,026	\$ -	0.0%	100.0%	0.0%	commercial
Interest Earned	\$ 107,463	\$ 70,862	\$ 31,989	\$ 4,612	65.9%	29.8%	4.3%	administrative % debt service funds
Lease/Rentals	\$ 23,000	\$ -	\$ 23,000	\$ -	0.0%	100.0%	0.0%	commercial
City of Maryville	\$ 81,948	\$ 57,470	\$ 24,027	\$ 451	70.1%	29.3%	0.6%	Maryville land use %
City of Alcoa	\$ 81,948	\$ 37,868	\$ 42,416	\$ 1,664	46.2%	51.8%	2.0%	Alcoa land use %
<b>General Debt Service Fund</b>	<b>\$ 9,353,063</b>	<b>\$ 5,942,620</b>	<b>\$ 3,027,723</b>	<b>\$ 382,720</b>	<b>63.5%</b>	<b>32.4%</b>	<b>4.1%</b>	
<b>General Construction Projects</b>								
Contributions	\$ 142,000	\$ 35,500	\$ 106,500	\$ -	25.0%	75.0%	0.0%	finance department
Other State Grant	\$ 16,928	\$ 13,313	\$ 2,731	\$ 884	78.6%	16.1%	5.2%	general contracting
Homeland Security For Courthouse	\$ 36,639	\$ 28,666	\$ 7,518	\$ 455	78.2%	20.5%	1.2%	court records
Bond Proceeds	\$ 414,628	\$ 273,408	\$ 123,424	\$ 17,796	65.9%	29.8%	4.3%	property tax
Other State Grants	\$ 784,318	\$ 616,827	\$ 126,540	\$ 40,951	78.6%	16.1%	5.2%	for smky mt
Other Loans	\$ 2,200,000	\$ 1,450,691	\$ 654,883	\$ 94,427	65.9%	29.8%	4.3%	property tax
Other State Grants	\$ 11,933	\$ 9,385	\$ 1,925	\$ 623	78.6%	16.1%	5.2%	covered bridge
Bond Proceeds	\$ 3,000,000	\$ 1,978,214	\$ 893,022	\$ 128,764	65.9%	29.8%	4.3%	property tax
Other Loans	\$ 1,500,000	\$ 989,107	\$ 446,511	\$ 64,382	65.9%	29.8%	4.3%	property tax
Bond Proceeds	\$ 25,000	\$ 16,485	\$ 7,442	\$ 1,073	65.9%	29.8%	4.3%	property tax
<b>General Construction Projects</b>	<b>\$ 8,131,445</b>	<b>\$ 5,411,595</b>	<b>\$ 2,370,495</b>	<b>\$ 349,355</b>	<b>66.6%</b>	<b>29.2%</b>	<b>4.3%</b>	
District Attorney General	\$ 26,471	\$ 26,471	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Judicial District Drug	\$ 299,270	\$ 299,270	\$ -	\$ -	100.0%	0.0%	0.0%	residential
<b>Total Special Funds</b>	<b>\$ 98,878,565</b>	<b>\$ 79,753,129</b>	<b>\$ 17,680,154</b>	<b>\$ 1,445,282</b>	<b>80.7%</b>	<b>17.9%</b>	<b>1.5%</b>	
<b>TOTAL REVENUES</b>	<b>\$ 129,439,575</b>	<b>\$ 99,269,746</b>	<b>\$ 27,833,267</b>	<b>\$ 2,336,562</b>	<b>76.7%</b>	<b>21.5%</b>	<b>1.8%</b>	

EXPENDITURES	Actual	Residential	Commercial/ Industrial	Farm and Forest	Land Use %			Source/ Purpose
<b>GENERAL FUND</b>								
<b>General Government</b>								
County Commission	\$ 322,445	\$ 262,793	\$ 52,881	\$ 6,771	81.5%	16.4%	2.1%	administrative percentage
Board of Equalization	\$ 920	\$ 723	\$ 148	\$ 48	78.6%	16.1%	5.2%	land use %
Beer Board	\$ 79	\$ -	\$ 79	\$ -	0.0%	100.0%	0.0%	commercial
Budget and Finance Committee	\$ 3,239	\$ 2,640	\$ 531	\$ 68	81.5%	16.4%	2.1%	administrative percentage
County Mayor	\$ 247,372	\$ 201,608	\$ 40,569	\$ 5,195	81.5%	16.4%	2.1%	administrative percentage
Personnel Office	\$ 131,761	\$ 107,385	\$ 21,609	\$ 2,767	81.5%	16.4%	2.1%	administrative percentage
Election Commission	\$ 364,747	\$ 364,747	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Register of Deeds	\$ 439,113	\$ 345,340	\$ 70,846	\$ 22,927	78.6%	16.1%	5.2%	land use %
Planning	\$ 181,795	\$ 126,228	\$ 43,985	\$ 11,581	69.4%	24.2%	6.4%	department interview
Building	\$ 71,525	\$ 47,206	\$ 24,318	\$ -	66.0%	34.0%	0.0%	department interview
Codes Compliance	\$ 92,444	\$ 92,444	\$ -	\$ -	100.0%	0.0%	0.0%	department interview
County Buildings	\$ 989,455	\$ 806,406	\$ 162,271	\$ 20,779	81.5%	16.4%	2.1%	administrative percentage
Other General Administration	\$ 125,482	\$ 102,268	\$ 20,579	\$ 2,635	81.5%	16.4%	2.1%	administrative percentage
Preservation of Records	\$ 89,136	\$ 72,646	\$ 14,618	\$ 1,872	81.5%	16.4%	2.1%	administrative percentage
Risk Management	\$ 176,974	\$ 144,234	\$ 29,024	\$ 3,716	81.5%	16.4%	2.1%	administrative percentage
Accounting and Budgeting	\$ 587,958	\$ 479,186	\$ 96,425	\$ 12,347	81.5%	16.4%	2.1%	administrative percentage
Purchasing	\$ 237,741	\$ 193,759	\$ 38,989	\$ 4,993	81.5%	16.4%	2.1%	administrative percentage
Property Assessor	\$ 783,848	\$ 616,457	\$ 126,465	\$ 40,926	78.6%	16.1%	5.2%	land use %
Reappraisal Program	\$ 237,727	\$ 186,960	\$ 38,354	\$ 12,412	78.6%	16.1%	5.2%	land use %
County Trustee	\$ 353,685	\$ 288,253	\$ 58,004	\$ 7,427	81.5%	16.4%	2.1%	administrative percentage
County Clerk	\$ 870,326	\$ 739,855	\$ 130,391	\$ 81	85.0%	15.0%	0.0%	county clerk
Data Processing	\$ 555,065	\$ 452,378	\$ 91,031	\$ 11,656	81.5%	16.4%	2.1%	administrative percentage
<b>Total General Government</b>	<b>\$ 6,862,836</b>	<b>\$ 5,633,517</b>	<b>\$ 1,061,118</b>	<b>\$ 168,202</b>	<b>82.1%</b>	<b>15.5%</b>	<b>2.5%</b>	
<b>Administration of Justice</b>								
Circuit Court	\$ 163,072	\$ 144,888	\$ 17,194	\$ 989	88.8%	10.5%	0.6%	court records
Circuit Court Clerk	\$ 1,585,938	\$ 1,409,097	\$ 167,220	\$ 9,622	88.8%	10.5%	0.6%	court records
General Sessions Court	\$ 762,899	\$ 529,320	\$ 219,932	\$ 13,647	69.4%	28.8%	1.8%	court records
Chancery Court	\$ 428,420	\$ 385,549	\$ 40,882	\$ 1,988	90.0%	9.5%	0.5%	court records
Juvenile Court	\$ 670,006	\$ 670,006	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Office of Public Defender	\$ 25,157	\$ 25,157	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Other Administration of Justice	\$ 239,454	\$ 187,350	\$ 49,133	\$ 2,971	78.2%	20.5%	1.2%	court records
<b>Total Administration of Justice</b>	<b>\$ 3,874,946</b>	<b>\$ 3,351,368</b>	<b>\$ 494,361</b>	<b>\$ 29,218</b>	<b>86.5%</b>	<b>12.8%</b>	<b>0.8%</b>	
<b>Public Safety</b>								
Sheriff's Department	\$ 7,653,860	\$ 6,717,433	\$ 808,370	\$ 128,057	87.8%	10.6%	1.7%	sheriff's department
Special Patrols	\$ 37,831	\$ 31,391	\$ 6,440	\$ -	83.0%	17.0%	0.0%	sheriff's department
Traffic Control	\$ 13,252	\$ 10,996	\$ 2,256	\$ -	83.0%	17.0%	0.0%	sheriff's department
Drug Enforcement	\$ 59,447	\$ 59,447	\$ -	\$ -	100.0%	0.0%	0.0%	sheriff's department
Jail	\$ 5,473,638	\$ 4,889,189	\$ 441,553	\$ 142,895	89.3%	8.1%	2.6%	sheriff's department
Workhouse	\$ 8,690	\$ 7,762	\$ 701	\$ 227	89.3%	8.1%	2.6%	jail records
Juvenile Services	\$ 1,238,873	\$ 1,238,873	\$ -	\$ -	100.0%	0.0%	0.0%	residential

EXPENDITURES	Actual	Residential	Commercial/ Industrial	Farm and Forest	Land Use %			Source/ Purpose
Fire Prevention and Control	\$ 4,500	\$ 3,539	\$ 726	\$ 235	78.6%	16.1%	5.2%	land use %
Civil Defense	\$ 109,967	\$ 91,247	\$ 18,719	\$ -	83.0%	17.0%	0.0%	finance department
Disaster Relief	\$ 301,270	\$ 264,411	\$ 31,819	\$ 5,041	87.8%	10.6%	1.7%	sheriff's department
Other Emergency Mgt	\$ 300,535	\$ 142,754	\$ 157,781	\$ -	47.5%	52.5%	0.0%	finance department
County Coroner/Medical Examiner	\$ 49,500	\$ 49,500	\$ -	\$ -	100.0%	0.0%	0.0%	residential
<b>Total Public Safety</b>	<b>\$ 15,251,362</b>	<b>\$ 13,506,542</b>	<b>\$ 1,468,365</b>	<b>\$ 276,455</b>	88.6%	9.6%	1.8%	
<b>Public Health and Welfare</b>								
Local Health Center	\$ 835,598	\$ 835,598	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Rabies and Animal Control	\$ 138,348	\$ 138,348	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Ambulance/Emerg. Med. Service	\$ 60,000	\$ 60,000	\$ -	\$ -	100.0%	0.0%	0.0%	residential
General Welfare Assistance	\$ 546,436	\$ 546,436	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Other Local Welfare Services	\$ 165,379	\$ 165,379	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Sanitation Mgt	\$ 21,084	\$ 17,495	\$ 3,589	\$ -	83.0%	17.0%	0.0%	residential & commercial
Other Public Health and Welfare	\$ 305,287	\$ 304,652	\$ 635	\$ -	99.8%	0.2%	0.0%	dept. admin (salaries and benefits)
<b>Total Public Health and Welfare</b>	<b>\$ 2,072,133</b>	<b>\$ 2,067,909</b>	<b>\$ 4,224</b>	<b>\$ -</b>	99.8%	0.2%	0.0%	
<b>Parks and Fair Boards</b>								
Parks and Fair Boards	\$ 559,502	\$ 559,502	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Agricultural Extension Service	\$ 124,133	\$ 48,436	\$ -	\$ 75,696	39.0%	0.0%	61.0%	department interview
Soil Conservation	\$ 85,048	\$ -	\$ 1,701	\$ 83,347	0.0%	2.0%	98.0%	department interview
<b>Other Operations</b>								
Tourism	\$ 741,208	\$ -	\$ 741,208	\$ -	0.0%	100.0%	0.0%	commercial
Industrial Development	\$ 846,609	\$ -	\$ 846,609	\$ -	0.0%	100.0%	0.0%	commercial
Other Ec. and Community Development	\$ 168,490	\$ -	\$ 168,490	\$ -	0.0%	100.0%	0.0%	commercial
Veterans' Services	\$ 149,379	\$ 149,379	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Other Charges	\$ 40,251	\$ 10,964	\$ 28,847	\$ 440	27.2%	71.7%	1.1%	dept. administrative %
Contributions to other agencies	\$ 9,457	\$ 2,576	\$ 6,778	\$ 103	27.2%	71.7%	1.1%	dept. administrative %
Miscellaneous	\$ 1,173,543	\$ 689,390	\$ 450,529	\$ 33,625	58.7%	38.4%	2.9%	finance department
<b>Total Other Operations</b>	<b>\$ 3,128,937</b>	<b>\$ 852,309</b>	<b>\$ 2,242,461</b>	<b>\$ 34,167</b>	27.2%	71.7%	1.1%	
<b>Highways</b>								
Litter and Trash Collection	\$ 67,941	\$ 56,376	\$ 11,565	\$ -	83.0%	17.0%	0.0%	residential/ commercial
<b>Total Highways</b>	<b>\$ 67,941</b>	<b>\$ 56,376</b>	<b>\$ 11,565</b>	<b>\$ -</b>	83.0%	17.0%	0.0%	
<b>Capital Projects</b>								
Other General Gov't Projects	\$ 952,368	\$ 816,112	\$ 118,989	\$ 17,267	85.7%	12.5%	1.8%	finance department
<b>Total Capital Projects</b>	<b>\$ 952,368</b>	<b>\$ 816,112</b>	<b>\$ 118,989</b>	<b>\$ 17,267</b>	85.7%	12.5%	1.8%	
<b>Total General Fund</b>	<b>\$ 32,979,206</b>	<b>\$ 26,892,071</b>	<b>\$ 5,402,784</b>	<b>\$ 684,352</b>	81.5%	16.4%	2.1%	

EXPENDITURES	Actual	Residential	Commercial/ Industrial	Farm and Forest	Land Use %			Source/ Purpose
<b>SPECIAL FUNDS</b>								
Courthouse & Jail Maintenance	\$ 9,741	\$ 8,148	\$ 1,402	\$ 191	83.6%	14.4%	2.0%	jail & court records
Law Library	\$ 1,864	\$ 1,458	\$ 382	\$ 23	78.2%	20.5%	1.2%	court records
Public Library	\$ 1,664,292	\$ 1,664,292	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Drug Control	\$ 172,999	\$ 172,999	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Drug Court	\$ 310,745	\$ 310,745	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Highway/Public Works	\$ 5,509,346	\$ 4,509,386	\$ 925,089	\$ 74,872	81.8%	16.8%	1.4%	TN VMT reports
General Purpose School	\$ 61,576,052	\$ 61,576,052	\$ -	\$ -	100.0%	0.0%	0.0%	residential
School Federal Projects	\$ 5,483,431	\$ 5,483,431	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Central Cafeteria	\$ 4,352,046	\$ 4,352,046	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Extended Day Care Program	\$ 1,421,511	\$ 1,421,511	\$ -	\$ -	100.0%	0.0%	0.0%	residential
General Debt Service Fund	\$ 9,393,323	\$ 8,936,835	\$ 344,932	\$ 111,556	95.1%	3.7%	1.2%	finance department
General Construction Projects	\$ 6,366,383	\$ 6,056,996	\$ 233,780	\$ 75,608	95.1%	3.7%	1.2%	finance department
District Attorney General	\$ 482	\$ 482	\$ -	\$ -	100.0%	0.0%	0.0%	residential
Judicial District Drug	\$ 256,913	\$ 256,913	\$ -	\$ -	100.0%	0.0%	0.0%	residential
<b>Total Special Funds</b>	<b>\$ 96,519,129</b>	<b>\$ 94,751,294</b>	<b>\$ 1,505,585</b>	<b>\$ 262,250</b>	<b>98.2%</b>	<b>1.6%</b>	<b>0.3%</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 129,498,335</b>	<b>\$ 121,643,365</b>	<b>\$ 6,908,369</b>	<b>\$ 946,601</b>	<b>93.9%</b>	<b>5.3%</b>	<b>0.7%</b>	
<b>Findings</b>								
Revenues	\$ 129,439,575	\$ 99,269,746	\$ 27,833,267	\$ 2,336,562	76.7%	21.5%	1.8%	
Expenditures	\$ 129,498,335	\$ 121,643,365	\$ 6,908,369	\$ 946,601	93.9%	5.3%	0.7%	
Net		\$ (22,373,618)	\$ 20,924,898	\$ 1,389,960				
Ratio		1.23	0.25	0.41				

## APPENDIX B: BLOUNT COUNTY, TN - PROPERTY TAX CALCULATION

Real Property Value		COCS Study Adjustments			
July 30, 2004, assessed					
Property Class	Assessed	Residential	Commercial and Industrial	Farm and Forest	Notes
Commercial	\$ 346,790,920	\$ 65,519,080	\$ 281,271,840	\$ -	The value of apartments & rentals (duplexes, townhouses) is moved to residential.
Industrial	\$ 55,113,600	\$ -	\$ 55,113,600	\$ -	100 percent comm/industrial
Residential	\$ 1,172,915,925	\$ 1,172,915,925	\$ -	\$ -	100 percent residential
Homebelt	\$ 244,750	\$ 244,750	\$ -	\$ -	residential properties in a commercial area
Farm	\$ 35,244,400	\$ 8,463,375	\$ -	\$ 26,781,025	market use value, homes are 24% of value
Agricultural	\$ 56,974,750	\$ 4,267,110		\$ 52,707,640	greenbelt program, homes are 7.49 % of value
Forest	\$ 7,510,225	\$ 5,204,550		\$ 2,305,675	greenbelt program, homes are 69.3 % of value
Mineral	\$ 68,360	\$ -	\$ 68,360	\$ -	
<b>Total Real Property</b>	<b>\$ 1,674,862,930</b>	<b>\$ 1,256,614,790</b>	<b>\$ 336,453,800</b>	<b>\$ 81,794,340</b>	
Personal Property*					
Class	Assessed	Residential	Commercial	Farm/Open	
Commercial	\$ 208,812,711	\$ -	\$ 208,812,711	\$ -	
Industrial	\$ 22,004,756	\$ -	\$ 22,004,756	\$ -	
<b>Total Personal</b>	<b>\$ 230,817,467</b>	<b>\$ -</b>	<b>\$ 230,817,467</b>	<b>\$ -</b>	
<b>Total Property</b>	<b>\$ 1,905,680,397</b>	<b>\$ 1,256,614,790</b>	<b>\$ 567,271,267</b>	<b>\$ 81,794,340</b>	
<b>Percent by Land Use</b>		<b>0.6594</b>	<b>0.2977</b>	<b>0.0429</b>	1.0000

\* Personal property taxes are levied on temporary or moveable property such as business furnishings, office machines, computers, equipment, tele vehicles and other such items (except real estate), which is used by a company or a person to operate a business.

**APPENDIX C: BLOUNT COUNTY, TN - FALLBACK CALCULATION**

Real Property Values				COCS STUDY ADJUSTMENTS			
Property Class	Assessed Value	Market Value Adjustment	Market or Appraised Value	Residential	Commercial and Industrial	Farm and Forest	Notes and Value Adjustments
Public Utilities	\$ 93,371,186	55%	\$ 169,765,793		\$ 169,765,793		100 percent commercial
Commercial	\$ 346,790,920	40%	\$ 866,977,300	\$ 163,797,700	\$ 703,179,600		The value of apartments, & rentals (duplexes, townhouses) is moved to residential.
Industrial	\$ 55,113,600	40%	\$ 137,784,000		\$ 137,784,000		100 percent commercial
Residential	\$ 1,172,915,925	25%	\$ 4,691,663,700	\$4,691,663,700			100 percent residential
Homebelt	\$ 244,750	25%	\$ 979,000	\$ 979,000			100 percent residential
Farm	\$ 35,244,400	25%	\$ 140,977,600	\$ 33,848,722		\$107,128,878	Properties appraised at market value, not TN greenbelt. Value of homes and related land moved to residential.
Agricultural	\$ 56,974,750	25%	\$ 227,899,000	\$ 17,069,635		\$210,829,365	Properties appraised at less than market value under TN greenbelt program. Value of homes and related land moved to residential.
Forest	\$ 7,510,225	25%	\$ 30,040,900	\$ 20,818,344		\$ 9,222,556	Properties appraised at less than market value under TN greenbelt program. Value of homes and related land moved to residential.
Mineral	\$ 68,360	25%	\$ 273,440	\$ -	\$ 273,440	-	100 percent commercial
	\$ 1,768,234,116		\$ 6,266,360,733	\$4,928,177,101	\$1,011,002,833	\$327,180,799	\$ 6,266,360,733
<b>Percentage by Land Use</b>				<b>0.7864</b>	<b>0.1613</b>	<b>0.0522</b>	<b>100.00%</b>