

# Cost of Community Services Study

Tipton 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 Tipton County. 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 farmland uses.

The study focused on the county budget because it represents revenues and expenditures for the largest portion of the government services provided to residents living in Tipton County. **The COCS study found that in Tipton County:**

- 89 percent of revenue in fiscal year 2005 was generated by residential land uses; 9 percent was generated by commercial and industrial land uses; and 2 percent by farmland;
- 96 percent of county expenditures were used to provide services for residential land use compared with 3 percent for commercial and industrial uses and 1 percent for farmland.

In other words, for each \$1 of revenue received from residential properties in fiscal year 2005, Tipton County spent \$1.07 providing services to those lands. For each \$1 from commercial and industrial land uses, the county spent 32 cents; and for each \$1 received from farmland, the county spent 57 cents providing services.

Residential land uses created a deficit of \$6.1 million, while the other two land use categories generated surpluses: \$6.2 million from commercial and industrial and \$622,664 from farmland. While residential development contributes the largest amount of revenue, its net fiscal impact is negative. Commercial and industrial development net revenues offset this shortfall. Commercial and industrial land generated significant revenue from property tax since it is assessed at higher rates than residential and farm properties and from several other business-related tax revenues.

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 Tipton County.

**Study Findings**

<b>Tipton County</b>	<b>FY 2005 Actual</b>	<b>Residential</b>	<b>Commercial and Industrial</b>	<b>Farmland</b>
a) Total Revenues	\$ 98,876,129	\$ 88,250,003	\$ 9,166,113	\$ 1,460,013
b) Total Expenditures	\$ 98,177,535	\$ 94,378,151	\$ 2,962,035	\$ 837,349
Net contribution (a-b)	\$ 698,594	\$ (6,128,148)	\$ 6,204,078	\$ 622,664
Land use ratio*		\$1.00 / \$1.07	\$1.00 / \$0.32	\$1.00 / \$0.57

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

## **INTRODUCTION**

### **Tipton County**

Tipton County is located on the Mississippi River and the Tennessee-Arkansas border.

The county is 18 miles from Memphis and encompasses 458 square miles, or 288,540 acres. The county population was 51,271 in 2000, an increase of 13,703 or 36 percent from the 1990 census. The number of households increased 39 percent between 1990 and 2000.<sup>1</sup>

In 2004, the 30,352 properties in the county had an assessed value of almost \$569 million and an appraised value of \$2.1 billion.<sup>2</sup> The land use breakdown of these properties was as follows:

- 1,193 commercial and 21 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 used for dwelling purposes that contain two or more rental units falls under this classification.
- 24,437 residential properties – all single family residences, owner-occupied duplexes, and condominiums are classified as residential.
- 215 farm properties – 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.
- 3,122 agricultural properties – farms of at least 15 acres including woodlands and wastelands valued at current use rather than market value under the Greenbelt Program.

Agriculture is a significant part of the land use and economic sector of the county economy. The 2002 Census of Agriculture reported 627 farms<sup>3</sup> in Tipton County operating on 168,776 acres of farmland, or 58 percent of the county. The average farm size was 269 acres with an estimated market value of land and buildings of \$522,452.

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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

<sup>3</sup> A farm operation can contain several individually assessed parcels of land.

The market value of agricultural products sold was \$31,619,000. The top selling agricultural products included cotton and cottonseed (\$17,230,000); grains, oilseeds, dry beans, and dry peas (\$11,018,000); cattle and calves (\$1,934,000); vegetables, melons, potatoes and sweet potatoes (\$747,000); and other crops and hay (\$250,000). Farms employed 428 workers with a payroll of \$2,209,000.

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 Tipton County, Tennessee. At the same time, similar studies were conducted in Blount County in the eastern part of the state and in Robertson County in the center of the state. Of the three counties, Tipton is the most rural. 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 Tipton's current land uses. 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.

### **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 budgets in a recent and discrete fiscal period. They are based on real numbers, making them different from traditional fiscal impact analysis, which is 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; and
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 Tipton County.



## **COCS METHOD IN TIPTON 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 Tipton 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.
- ***Farmland*** – all farm and agricultural 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 Tipton 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 was 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, solid waste, constitutional officers fund, 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. The largest county fund was education with expenditures of \$73.5 million.

### **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 Tipton 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 funds for juvenile services, reappraisal and the health department. Federal sources of revenue mostly are grants dedicated to a specific purpose, such as community development, civil defense and 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. 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.<sup>4</sup> Houses on farm properties were about 60 percent of the value of the farm property class, while houses on agricultural properties were about 58 percent of the value. Apartments and rental units with two or more units (duplexes, condominiums) are classified as commercial property in Tennessee, but their value was included in the residential category for the purposes of this study. The assessed value of all of these residences and associated development sites were included in 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 and industrial properties as well as the value of 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.

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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.

<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.

***Farmland*** – Agricultural land in Tipton 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.

Appendix B shows how land is classified for assessment purposes in Tipton 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:

- 77 percent from residential development
- 18 percent from commercial and industrial development
- 5 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 source of county revenue is the local option 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 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

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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).

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 which 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, senior citizens assistance, 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. Highway spending for operations and construction was divided based on road segment information by voting district and insights provided by the director of public works. A portion of Agricultural Extension and the majority of soil conservation services were allocated to farmland.

### Calculation of “Fallback” 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.

Appendix C shows how land is classified for appraisal purposes in Tipton 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 (84 percent), commercial and industrial land (9 percent) and farm and agricultural land (7 percent) were determined.

<b>Table 1. Budget Items Allocated Using a Fallback Number</b>				
<b>Items</b>	<b>Actual FY 05</b>	<b>Residential</b>	<b>Commercial/ Industrial</b>	<b>Farm and Forest Land</b>
<b>Revenue</b>				
Register	\$ 402,889	\$ 339,308	\$35,977	\$ 27,604
Registrar's Salary Supplement	<u>\$ 16,380</u>	<u>\$ 13,795</u>	<u>\$ 1,463</u>	<u>\$ 1,122</u>
Total revenue items	<b>\$ 419,269</b>	<b>\$ 353,103</b>	<b>\$ 37,440</b>	<b>\$ 28,726</b>
Percent of county revenues	0.42%	0.40%	0.41%	1.97%
<b>Expenditure</b>				
Register of Deeds	\$ 263,727	\$ 222,108	\$ 23,550	\$ 18,069
Property Assessor's Office	\$ 388,013	\$ 326,780	\$ 34,649	\$ 26,584
Reappraisal Program	\$ 45,005	\$ 37,903	\$ 4,019	\$ 3,083
Probate Court	\$ 63,746	\$ 53,686	\$ 5,692	\$ 4,367
Fire Prevention and Control	<u>\$ 595,202</u>	<u>\$ 501,272</u>	<u>\$ 53,150</u>	<u>\$ 40,780</u>
Total expenditure items	<b>\$ 1,355,693</b>	<b>\$ 1,141,748</b>	<b>\$ 121,061</b>	<b>\$ 92,884</b>
Percent of county expenditures	1.38%	1.21%	4.09%	11.09%

<b>Table 2. 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>				
Data Processing Fee - Register	\$ 28,290	\$ 21,361	\$ 6,006	\$ 923
Civil Defense Reimbursement	\$ 17,552	\$ 13,253	\$ 3,726	\$ 573
Homeland Security Grants	\$ 193,813	\$ 146,345	\$ 41,144	\$ 6,323
Other Governments and Citizens Groups	\$ 412,141	\$ 311,202	\$ 87,493	\$ 13,447
Other Federal through State	\$ 875,175	\$ 660,832	\$ 185,789	\$ 28,554
Other Government's Contributions	<u>\$ 300,000</u>	<u>\$ 226,526</u>	<u>\$ 63,686</u>	<u>\$ 9,788</u>
Total revenue items	<b>\$ 1,826,971</b>	<b>\$ 1,379,520</b>	<b>\$ 387,844</b>	<b>\$ 59,607</b>
Percent of county revenues	1.85%	1.56%	4.23%	4.08%
<b>Expenditures</b>				
County Commission	\$ 131,131	\$ 102,838	\$ 23,224	\$ 5,068
County Mayor	\$ 173,486	\$ 136,055	\$ 30,726	\$ 6,705
County Buildings	\$ 158,433	\$ 124,250	\$ 28,060	\$ 6,123
Accounting and Budgeting	\$ 188,901	\$ 148,144	\$ 33,456	\$ 7,301
County Trustee's Office	\$ 60,298	\$ 47,288	\$ 10,679	\$ 2,331
County Clerk's Office	\$ 451,392	\$ 354,001	\$ 79,945	\$ 17,446
Civil Defense	\$ 228,609	\$ 179,285	\$ 40,489	\$ 8,836
Other Emergency Management	\$ 140,209	\$ 109,958	\$ 24,832	\$ 5,419
Sanitation Management	\$ 118,749	\$ 93,128	\$ 21,031	\$ 4,590
Miscellaneous	\$ 242,768	\$ 190,389	\$ 42,996	\$ 9,383
Principal on Capitalized Leases	\$ 4,145	\$ 3,251	\$ 734	\$ 160
Interest on Capitalized Leases	\$ 1,486	\$ 1,165	\$ 263	\$ 57
General Government	\$ 61,207	\$ 48,001	\$ 10,840	\$ 2,366
Trustee's Commission	\$ 103,572	\$ 81,226	\$ 18,343	\$ 4,003
Other Debt Issuance Charges	<u>\$ 9,441</u>	<u>\$ 7,404</u>	<u>\$ 1,672</u>	<u>\$ 365</u>
Totals expenditure items	<b>\$ 2,073,827</b>	<b>\$ 1,626,382</b>	<b>\$ 367,292</b>	<b>\$ 80,153</b>
Percent of county expenditures	2.11%	1.72%	12.40%	9.57%

**Analyze data and calculate ratios**

The final step was to analyze the data gathered and evaluate the actual budgets on 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 3 on page 15). 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, Tipton County residential land use generated \$87.4 million in revenues to cover residential land use expenditures of \$94.4 million. Comparing revenues to expenditures shows that residential land use had a \$6.1 million shortfall, which was covered by a \$622 thousand surplus from farmland revenues and \$6.2 million from commercial and industrial properties.

Findings for Tipton 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 \$1.07 providing services. For each \$1 from commercial and industrial land uses, the county spent 32 cents, and for each \$1 received from farmlands the county spent 57 cents providing services.

<b>Table 3. Study Findings</b>				
<b>Tipton County</b>	<b>FY 2005 Actual</b>	<b>Residential</b>	<b>Commercial and Industrial</b>	<b>Farmland</b>
a) Total revenues	\$ 98,876,129	\$ 88,250,003	\$ 9,166,113	\$ 1,460,013
b) Total expenditures	\$ 98,177,535	\$ 94,378,151	\$ 2,962,035	\$ 837,349
Net contribution (a-b)	\$ 698,594	\$ (6,128,148)	\$ 6,204,078	\$ 622,664
Land use ratio*		\$1.00 / \$1.07	\$1.00 / \$0.32	\$1.00 / \$0.57
Percent of revenue by land use		89.25%	9.27%	1.48%
Percent of expenditure by land use		96.13%	3.02%	0.85%

\*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 Tipton County are somewhat unusual for COCS studies. The residential ratio of \$1 of revenue to \$1.07 expenditure is lower than the national median of \$1.16. A lower residential ratio in a COCS study occurs in communities where the land use revenue is dominated by residential properties. In Tipton County, 89 percent of the revenue is from residential sources. The farmland ratio of \$1 of revenue to 57 cents expenditure is significantly higher than the national median of 36 cents. The primary factor for this is the relatively large amounts for public safety (\$233,079), highway/public works (\$323,678) and highway construction (\$56,493) attributed to farm and agricultural lands. The commercial and industrial land use ratio of \$1 to 32 cents is slightly lower than the national median number of 36 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 properties 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 stability of Tipton 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. A balance of land uses, including agricultural lands, is needed to provide adequate revenue to pay for these services.
- 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 these working lands receive in services. Even with a reduced assessed value, agricultural properties contribute a surplus of revenue to pay for public services for residents of Tipton County.

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 almost \$32 million in 2002, agriculture is an important part of the county economy. The top selling agricultural products were cotton and grains. Agricultural lands still represent about 58 percent of the land area of the county. 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 Tipton County's economy, contribute to economic diversity and rural character, and help shape the overall quality of life in the region.

## **APPENDICES**

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

REVENUES	Actual	Residential	Commercial/ Industrial	Farmland	Land Use %			Source/ Reason
<b>GENERAL FUND</b>								
<b>Local Taxes</b>								
County Property Taxes								
Current Property Tax	\$ 4,306,489	\$ 3,327,494	\$ 789,076	\$ 189,919	77%	18%	4%	property tax
Trustees Collections - Prior Year	\$ 138,104	\$ 106,709	\$ 25,305	\$ 6,090	77%	18%	4%	property tax
Trustees Collections - Bankruptcy	\$ 1,536	\$ 1,536	\$ -	\$ -	100%	0%	0%	finance department
Circuit/Clerk & Master Coll. - Pr. Yrs	\$ 91,816	\$ 70,943	\$ 16,823	\$ 4,049	77%	18%	4%	property tax
Interest and Penalty	\$ 33,534	\$ 25,911	\$ 6,144	\$ 1,479	77%	18%	4%	property tax
Payments in Lieu of Taxes - Other	\$ 290,395	\$ -	\$ 290,395	\$ -	0%	100%	0%	finance department
Local Option Sales Tax	\$ 370,635	\$ 233,500	\$ 137,135	\$ -	63%	37%	0%	state data
Hotel/Motel Tax	\$ 53,178	\$ -	\$ 53,178	\$ -	0%	100%	0%	finance department
Wheel Tax	\$ 1,456,532	\$ 1,238,465	\$ 152,955	\$ 65,112	85%	11%	4%	road use
Litigation Tax - General	\$ 186,527	\$ 136,236	\$ 47,377	\$ 2,914	73%	25%	2%	court records
Business Tax	\$ 60,899	\$ -	\$ 60,899	\$ -	0%	100%	0%	finance department
Wholesale Beer Tax	\$ 222,072	\$ -	\$ 222,072	\$ -	0%	100%	0%	finance department
Interstate Telecommunications Tax	\$ 4,865	\$ -	\$ 4,865	\$ -	0%	100%	0%	finance department
<b>Total Local Taxes</b>	<b>\$ 7,216,582</b>	<b>\$ 5,140,794</b>	<b>\$ 1,806,224</b>	<b>\$ 269,564</b>	<b>71%</b>	<b>25%</b>	<b>4%</b>	
<b>Licenses and permits</b>								
Cable TV Franchise	\$ 29,161	\$ -	\$ 29,161	\$ -	0%	100%	0%	finance department
Building Permits	\$ 45,318	\$ 44,865	\$ 453	\$ -	99%	1%	0%	building department
<b>Total Licenses and Permits</b>	<b>\$ 74,479</b>	<b>\$ 44,865</b>	<b>\$ 29,614</b>	<b>\$ -</b>	<b>60%</b>	<b>40%</b>	<b>0%</b>	
<b>Fines Forfeitures and Penalties</b>								
Circuit Court	\$ 25,286	\$ 22,178	\$ 2,990	\$ 118	88%	12%	0%	court records
General Sessions Court	\$ 246,509	\$ 170,967	\$ 71,210	\$ 4,332	69%	29%	2%	court records
Juvenile Court	\$ 3,607	\$ 3,607	\$ -	\$ -	100%	0%	0%	court records
Chancery Court	\$ 6,046	\$ 5,626	\$ 377	\$ 42	93%	6%	1%	court records
<b>Total Fines, Forf. &amp; Penalties</b>	<b>\$ 281,448</b>	<b>\$ 202,378</b>	<b>\$ 74,577</b>	<b>\$ 4,493</b>	<b>72%</b>	<b>26%</b>	<b>2%</b>	
<b>Charges for Current Services</b>								
General Service Charges	\$ 101,137	\$ 101,137	\$ -	\$ -	100%	0%	0%	finance department
<b>Fees</b>								
Copy Fees	\$ 445	\$ 445	\$ -	\$ -	100%	0%	0%	finance department
Telephone Commissions	\$ 33,505	\$ 33,505	\$ -	\$ -	100%	0%	0%	finance department
Vending Machine Collections	\$ 254	\$ -	\$ 254	\$ -	0%	100%	0%	finance department
Data Processing Fee - Register	\$ 28,290	\$ 21,361	\$ 6,006	\$ 923	76%	21%	3%	administrative percentage
Data Processing Fee - Sheriff	\$ 2,042	\$ 1,744	\$ 211	\$ 87	85%	10%	4%	sheriff's department
Sexual Offender Reg. Fee	\$ 3,780	\$ 3,780	\$ -	\$ -	100%	0%	0%	residential
<b>Total Charges for Services</b>	<b>\$ 169,453</b>	<b>\$ 161,972</b>	<b>\$ 6,471</b>	<b>\$ 1,010</b>	<b>96%</b>	<b>4%</b>	<b>1%</b>	

REVENUES	Actual	Residential	Commercial/ Industrial	Farmland	Land Use %			Source/ Reason
<b>Other Local Revenue</b>								
Recurring Items	\$ 58,483	\$ 50,202	\$ 4,795	\$ 3,486	86%	8%	6%	finance department
Nonrecurring Items	\$ 66,364	\$ 54,304	\$ 8,335	\$ 3,725	82%	13%	6%	finance department
<b>Total Other Local Revenues</b>	\$ 124,847	\$ 104,505	\$ 13,130	\$ 7,212	84%	11%	6%	
<b>Fees Received from County Officials</b>								
Excess Fees - Trustee	\$ 390,000	\$ 294,421	\$ 79,538	\$ 16,041	75%	20%	4%	finance department
Fees in Lieu of a Salary								
County Clerk	\$ 404,495	\$ 334,099	\$ 70,306	\$ 91	83%	17%	0%	county clerk
Circuit Court Clerk	\$ 79,599	\$ 69,023	\$ 10,147	\$ 429	87%	13%	1%	court records
General Sessions Court Clerk	\$ 218,652	\$ 151,647	\$ 63,163	\$ 3,843	69%	29%	2%	court records
Clerk and Master	\$ 217,377	\$ 183,072	\$ 19,411	\$ 14,893	84%	9%	7%	fallback
Juvenile Court Clerk	\$ 63,809	\$ 63,809	\$ -	\$ -	100%	0%	0%	court records
Register	\$ 402,889	\$ 339,308	\$ 35,977	\$ 27,604	84%	9%	7%	fallback
Sheriff	\$ 18,991	\$ 16,217	\$ 1,967	\$ 807	85%	10%	4%	sheriff's department
<b>Total Fees, County Officials</b>	\$ 1,795,812	\$ 1,451,596	\$ 280,509	\$ 63,707	81%	16%	4%	
<b>State of Tennessee</b>								
Juvenile Services Program	\$ 9,604	\$ 9,604	\$ -	\$ -	100%	0%	0%	residential
State Reappraisal Grant	\$ 17,501	\$ 17,501	\$ -	\$ -	100%	0%	0%	assessor
Health Department Programs	\$ 197,083	\$ 197,083	\$ -	\$ -	100%	0%	0%	residential
Litter Program	\$ 36,586	\$ 33,079	\$ 3,507	\$ -	90%	10%	0%	residential & commercial
Other State Revenue								
Income Tax	\$ 17,921	\$ 17,921	\$ -	\$ -	100%	0%	0%	residential
Beer Tax	\$ 16,778	\$ -	\$ 16,778	\$ -	0%	100%	0%	finance department
Alcoholic Beverage Tax	\$ 52,581	\$ -	\$ 52,581	\$ -	0%	100%	0%	finance department
Board of Jurors	\$ 3,171	\$ 3,171	\$ -	\$ -	100%	0%	0%	residential
Contracted Prisoner Boarding	\$ 441,408	\$ 377,254	\$ 47,843	\$ 16,311	85%	11%	4%	jail percentage
Registrar's Salary Supplement	\$ 16,380	\$ 13,795	\$ 1,463	\$ 1,122	84%	9%	7%	fallback
Other State Grants	\$ 303,530	\$ 303,530	\$ -	\$ -	100%	0%	0%	residential, juvenile court
<b>Total State of Tennessee</b>	\$ 1,112,543	\$ 972,938	\$ 122,172	\$ 17,433	87%	11%	2%	
<b>Federal Government</b>								
Community Development	\$ 369,846	\$ 334,390	\$ 35,456	\$ -	90%	10%	0%	res/comm, water tower
Civil Defense Reimbursement	\$ 17,552	\$ 13,253	\$ 3,726	\$ 573	76%	21%	3%	administrative percentage
Homeland Security Grants	\$ 193,813	\$ 146,345	\$ 41,144	\$ 6,323	76%	21%	3%	administrative percentage
Other Direct Federal	\$ 20,237	\$ 17,281	\$ 2,096	\$ 860	85%	10%	4%	sheriff's department
<b>Total Federal Government</b>	\$ 601,448	\$ 511,270	\$ 82,422	\$ 7,756	85%	14%	1%	
<b>Other Governments and Citizens Groups</b>	\$ 412,141	\$ 311,202	\$ 87,493	\$ 13,447	76%	21%	3%	admin. %: courthse renovation
<b>TOTAL GENERAL FUND</b>	\$ 11,788,753	\$ 8,901,520	\$ 2,502,612	\$ 384,621	76%	21%	3%	

REVENUES	Actual	Residential	Commercial/ Industrial	Farmland	Land Use %			Source/ Reason
<b>SPECIAL FUNDS</b>								
<b>Library</b>	\$ 106,115	\$ 106,115	\$ -	\$ -	100%	0%	0%	
<b>Solid Waste/Sanitation</b>								
Current Property Tax	\$ 246,086	\$ 190,143	\$ 45,090	\$ 10,853	77%	18%	4%	property tax
Trustee's Collection - Prior Year	\$ 9	\$ 7	\$ 2	\$ 0	77%	18%	4%	property tax
Trustee's Collection - Bankruptcy	\$ 62	\$ 62	\$ -	\$ -	100%	0%	0%	finance department
Circuit/Clerk & Master Collections - Prior Y	\$ 1,174	\$ 907	\$ 215	\$ 52	77%	18%	4%	property tax
Interest & Penalty	\$ 802	\$ 620	\$ 147	\$ 35	77%	18%	4%	property tax
Payment in Lieu of Taxes	\$ 16,358	\$ -	\$ 16,358	\$ -	0%	100%	0%	finance department
Business Tax	\$ 3,068	\$ -	\$ 3,068	\$ -	0%	100%	0%	finance department
Tipping Fees	\$ 55,170	\$ -	\$ 55,170	\$ -	0%	100%	0%	department interview
Solid Waste Disposal Fee	\$ 639	\$ 639	\$ -	\$ -	100%	0%	0%	department interview
Other Charges for Services	\$ 37,159	\$ 37,159	\$ -	\$ -	100%	0%	0%	finance department
Sale of Recycled Materials	\$ 28,990	\$ 26,211	\$ 2,779	\$ -	90%	10%	0%	department interview
Solid Waste Grants	\$ 47,577	\$ 43,016	\$ 4,561	\$ -	90%	10%	0%	department interview
State Revenue Sharing - T.V.A.	\$ 462,629	\$ 418,279	\$ 44,350	\$ -	90%	10%	0%	department interview
<b>Total Solid Waste/Sanitation</b>	\$ 899,723	\$ 717,042	\$ 171,741	\$ 10,940	80%	19%	1%	
<b>Drug Control Fund</b>	\$ 37,027	\$ 37,027	\$ -	\$ -	100%	0%	0%	residential
<b>Constitutional Officers Fees</b>	\$ 220,453	\$ 178,985	\$ 37,743	\$ 3,725	81%	17%	2%	combined records
<b>Highway/Public Works</b>								
Current Property Tax	\$ 246,086	\$ 190,143	\$ 45,090	\$ 10,853	77%	18%	4%	property tax
Trustee's Collection - Prior Year	\$ 17,276	\$ 13,349	\$ 3,165	\$ 762	77%	18%	4%	property tax
Trustee's Collection - Bankruptcy	\$ 303	\$ 303	\$ -	\$ -	100%	0%	0%	finance department
Circuit/Clerk & Master Collections - Pr.Yr.	\$ 9,320	\$ 7,201	\$ 1,708	\$ 411	77%	18%	4%	property tax
Interest and Penalty	\$ 3,189	\$ 2,464	\$ 584	\$ 141	77%	18%	4%	property tax
Payments in Lieu of Taxes, other	\$ 16,830	\$ -	\$ 16,830	\$ -	0%	100%	0%	finance department
Wheel Tax	\$ 1,456,532	\$ 1,238,465	\$ 152,955	\$ 65,112	85%	11%	4%	department interview
Business Tax	\$ 3,892	\$ -	\$ 3,892	\$ -	0%	100%	0%	finance department
Animal Registration	\$ 43,873	\$ 43,873	\$ -	\$ -	100%	0%	0%	department interview
Other Employee Benefit Charges	\$ 160	\$ 160	\$ -	\$ -	100%	0%	0%	department interview
Vending Machine Collections	\$ 1,605	\$ -	\$ 1,605	\$ -	0%	100%	0%	department interview
Sale of Materials and Supplies	\$ 13	\$ 13	\$ -	\$ -	100%	0%	0%	department interview
Miscellaneous Refunds	\$ 8,720	\$ 6,949	\$ 1,053	\$ 718	80%	12%	8%	department interview
State Aid Program	\$ 344,220	\$ 285,741	\$ 48,382	\$ 10,097	83%	14%	3%	department interview
Gasoline and Motor Fuel Tax	\$ 1,822,079	\$ 1,549,284	\$ 191,342	\$ 81,453	85%	11%	4%	road use
Petroleum Special Tax	\$ 41,244	\$ 35,069	\$ 4,331	\$ 1,844	85%	11%	4%	road use
Disaster Relief	\$ 250,771	\$ 208,168	\$ 35,247	\$ 7,356	83%	14%	3%	department interview
Pavement and Maintenance	\$ 212,099	\$ 212,099	\$ -	\$ -	100%	0%	0%	residential, schools
<b>Total Highway/Public Works</b>	\$ 4,478,212	\$ 3,793,281	\$ 506,185	\$ 178,746	85%	11%	4%	

REVENUES	Actual	Residential	Commercial/ Industrial	Farmland	Land Use %			Source/ Reason
<b>General Debt Service</b>								
Current Property Tax	\$ 4,429,538	\$ 3,422,570	\$ 811,623	\$ 195,346	77%	18%	4%	property tax
Trustee's Collection - Prior Year	\$ 141,992	\$ 109,713	\$ 26,017	\$ 6,262	77%	18%	4%	property tax
Trustee's Collection - Bankruptcy	\$ 1,580	\$ 1,580	\$ -	\$ -	100%	0%	0%	finance department
Circuit/Clerk & Master Collections - Pr.Yr.	\$ 94,440	\$ 72,971	\$ 17,304	\$ 4,165	77%	18%	4%	property tax
Interest and Penalty	\$ 34,500	\$ 26,657	\$ 6,321	\$ 1,521	77%	18%	4%	property tax
Payments in Lieu of Taxes, T.V.A.	\$ 1,486	\$ 1,148	\$ 272	\$ 66	77%	18%	4%	property tax
Payments in Lieu of Taxes, other	\$ 298,693	\$ -	\$ 298,693	\$ -	0%	100%	0%	finance department
Litigation Tax	\$ 56,337	\$ 41,148	\$ 14,309	\$ 880	73%	25%	2%	court records
Litigation Tax - Jail, Work, Court	\$ 62,639	\$ 45,750	\$ 15,910	\$ 979	73%	25%	2%	court records
Bank Excise Tax	\$ 73,010	\$ -	\$ 73,010	\$ -	0%	100%	0%	finance department
Investment Income	\$ 585,181	\$ 433,170	\$ 130,415	\$ 21,596	74%	22%	4%	administrative % debt service
Miscellaneous Refunds	\$ 155	\$ 115	\$ 35	\$ 6	74%	22%	4%	administrative % debt service
Contributions	\$ 475,000	\$ 475,000	\$ -	\$ -	100%	0%	0%	residential, schools
<b>Total Debt Service</b>	\$ 6,254,551	\$ 4,629,822	\$ 1,393,910	\$ 230,820	74%	22%	4%	
<b>General Capital Projects</b>								
Other Federal through State	\$ 875,175	\$ 660,832	\$ 185,789	\$ 28,554	76%	21%	3%	admin % - court square
Other Government's Contributions	\$ 300,000	\$ 226,526	\$ 63,686	\$ 9,788	76%	21%	3%	admin % - court square
<b>Total Capital Projects</b>	\$ 1,175,175	\$ 887,358	\$ 249,476	\$ 38,341	76%	21%	3%	
<b>TOTAL SPECIAL FUNDS</b>	\$ 13,171,256	\$ 10,349,630	\$ 2,359,054	\$ 462,572	79%	18%	4%	
<b>TOTAL COUNTY GOVERNMENT</b>	\$ 24,960,009	\$ 19,251,150	\$ 4,861,666	\$ 847,193	77%	19%	3%	
<b>General Purpose School Fund</b>								
Current Property Tax	\$ 8,305,375	\$ 6,417,312	\$ 1,521,791	\$ 366,272	77%	18%	4%	property tax
Trustee's Collection - Prior Year	\$ 279,451	\$ 215,923	\$ 51,204	\$ 12,324	77%	18%	4%	property tax
Trustee's Collection - Bankruptcy	\$ 2,334	\$ 2,334	\$ -	\$ -	100%	0%	0%	finance department
Circuit/Clerk & Master Collections - P.Yr.	\$ 177,074	\$ 136,820	\$ 32,445	\$ 7,809	77%	18%	4%	property tax
Interest and Penalty	\$ 64,019	\$ 49,466	\$ 11,730	\$ 2,823	77%	18%	4%	property tax
Payments in Lieu of Taxes - other	\$ 560,048	\$ -	\$ 560,048	\$ -	0%	100%	0%	finance department
Local Option Sales Tax	\$ 2,891,793	\$ 1,821,830	\$ 1,069,963	\$ -	63%	37%	0%	state data
Business Tax	\$ 117,448	\$ -	\$ 117,448	\$ -	0%	100%	0%	commercial
Interstate Telecommunications Tax	\$ 8,441	\$ -	\$ 8,441	\$ -	0%	100%	0%	commercial
Marriage Licenses	\$ 4,180	\$ 4,180	\$ -	\$ -	100%	0%	0%	residential
Other Permits	\$ 1,178	\$ 1,178	\$ -	\$ -	100%	0%	0%	finance department
Juvenile Court Fines	\$ 10,671	\$ 10,671	\$ -	\$ -	100%	0%	0%	court records
Charges for Services	\$ 635,846	\$ 635,846	\$ -	\$ -	100%	0%	0%	residential service
Miscellaneous Refunds	\$ 165,832	\$ 165,832	\$ -	\$ -	100%	0%	0%	residential service
Insurance Recovery	\$ 3,783	\$ 3,783	\$ -	\$ -	100%	0%	0%	residential service
Sale of Equipment	\$ 22,736	\$ 22,736	\$ -	\$ -	100%	0%	0%	residential service
Damages Recovered from Individuals	\$ 10,154	\$ 10,154	\$ -	\$ -	100%	0%	0%	residential service
Basic Education Program - TN	\$ 43,761,618	\$ 43,761,618	\$ -	\$ -	100%	0%	0%	residential service



REVENUES	Actual	Residential	Commercial/ Industrial	Farmland	Land Use %			Source/ Reason
<b>GP School Fund Continued</b>								
School Food Service - State	\$ 64,161	\$ 64,161	\$ -	\$ -	100%	0%	0%	residential service
Driver Education	\$ 6,045	\$ 6,045	\$ -	\$ -	100%	0%	0%	residential payment
Other State Education Funds	\$ 633,380	\$ 633,380	\$ -	\$ -	100%	0%	0%	residential service
Career Ladder Program	\$ 535,446	\$ 535,446	\$ -	\$ -	100%	0%	0%	residential service
Career Ladder - Extended Contract	\$ 205,296	\$ 205,296	\$ -	\$ -	100%	0%	0%	residential service
Other Vocational	\$ 150	\$ 150	\$ -	\$ -	100%	0%	0%	residential service
Mixed Drink Tax	\$ 2,403	\$ -	\$ 2,403	\$ -	0%	100%	0%	commercial source
Other State Grants	\$ 49,375	\$ 49,375	\$ -	\$ -	100%	0%	0%	residential service
Federal Adult Education Grant	\$ 159,140	\$ 159,140	\$ -	\$ -	100%	0%	0%	residential service
Special Education - Grants to States	\$ 64,345	\$ 64,345	\$ -	\$ -	100%	0%	0%	residential service
Other Federal through State	\$ 364,015	\$ 364,015	\$ -	\$ -	100%	0%	0%	residential service
<b>Total General Purpose School Fund</b>	<b>\$ 59,105,737</b>	<b>\$ 55,341,035</b>	<b>\$ 3,375,473</b>	<b>\$ 389,229</b>	<b>94%</b>	<b>6%</b>	<b>1%</b>	
Federal Projects	\$ 5,411,006	\$ 5,411,006	\$ -	\$ -	100%	0%	0%	residential service
Central Cafeteria Fund	\$ 4,329,377	\$ 4,329,377	\$ -	\$ -	100%	0%	0%	residential service
Education Capital Projects	\$ 5,070,000	\$ 3,917,435	\$ 928,974	\$ 223,590	77%	18%	4%	paid by property tax
<b>TOTAL EDUCATION</b>	<b>\$ 73,916,120</b>	<b>\$ 68,998,853</b>	<b>\$ 4,304,447</b>	<b>\$ 612,819</b>	<b>93%</b>	<b>6%</b>	<b>1%</b>	
<b>TOTAL REVENUES</b>	<b>\$ 98,876,129</b>	<b>\$ 88,250,003</b>	<b>\$ 9,166,113</b>	<b>\$ 1,460,013</b>	<b>89%</b>	<b>9%</b>	<b>1%</b>	

EXPENDITURES	Actual	Residential	Commercial/ Industrial	Farmland	Land Use %			Source/ Reason
<b>GENERAL FUND</b>								
<b>General Government</b>								
County Commission	\$ 131,131	\$ 102,838	\$ 23,224	\$ 5,068	78%	18%	4%	administrative percentage
Beer Board	\$ 3,982	\$ -	\$ 3,982	\$ -	0%	100%	0%	commercial
County Mayor	\$ 173,486	\$ 136,055	\$ 30,726	\$ 6,705	78%	18%	4%	administrative percentage
Election Commission	\$ 301,002	\$ 301,002	\$ -	\$ -	100%	0%	0%	residential
Register of Deeds	\$ 263,727	\$ 222,108	\$ 23,550	\$ 18,069	84%	9%	7%	fallback
Planning	\$ 214,237	\$ 212,095	\$ 2,142	\$ -	99%	1%	0%	department interview
Building	\$ 261,856	\$ 259,237	\$ 2,619	\$ -	99%	1%	0%	department interview
Codes Compliance	\$ 9,520	\$ 9,425	\$ 95	\$ -	99%	1%	0%	department interview
Geographical Information Systems	\$ 85,589	\$ 64,621	\$ 18,329	\$ 2,639	76%	21%	3%	department interview
County Buildings	\$ 158,433	\$ 124,250	\$ 28,060	\$ 6,123	78%	18%	4%	administrative percentage
Accounting and Budgeting	\$ 188,901	\$ 148,144	\$ 33,456	\$ 7,301	78%	18%	4%	administrative percentage
Property Assessor's Office	\$ 388,013	\$ 326,780	\$ 34,649	\$ 26,584	84%	9%	7%	fallback
Reappraisal Program	\$ 45,005	\$ 37,903	\$ 4,019	\$ 3,083	84%	9%	7%	fallback
County Trustee's Office	\$ 60,298	\$ 47,288	\$ 10,679	\$ 2,331	78%	18%	4%	administrative percentage
County Clerk's Office	\$ 451,392	\$ 354,001	\$ 79,945	\$ 17,446	78%	18%	4%	administrative percentage
<b>Total General Government</b>	\$ 2,736,572	\$ 2,345,746	\$ 295,476	\$ 95,350	86%	11%	3%	
<b>Administration of Justice</b>								
Circuit Court	\$ 458,407	\$ 397,501	\$ 58,436	\$ 2,470	87%	13%	1%	court records
General Sessions Court	\$ 199,015	\$ 138,027	\$ 57,490	\$ 3,498	69%	29%	2%	court records
Chancery Court	\$ 277,258	\$ 258,003	\$ 17,309	\$ 1,946	93%	6%	1%	court records
Juvenile Court	\$ 486,939	\$ 486,939	\$ -	\$ -	100%	0%	0%	court records
Probate Court	\$ 63,746	\$ 53,686	\$ 5,692	\$ 4,367	84%	9%	7%	fallback
Other Administration of Justice	\$ 59,501	\$ 43,458	\$ 15,113	\$ 930	73%	25%	2%	court records
<b>Total Administration of Justice</b>	\$ 1,544,866	\$ 1,377,615	\$ 154,040	\$ 13,211	89%	10%	1%	
<b>Public Safety</b>								
Sheriff's Department	\$ 2,475,110	\$ 2,113,573	\$ 256,334	\$ 105,203	85%	10%	4%	sheriff's department
Jail	\$ 1,627,727	\$ 1,391,155	\$ 176,425	\$ 60,147	85%	11%	4%	sheriff's department
Workhouse	\$ 108,475	\$ 79,228	\$ 27,552	\$ 1,695	73%	25%	2%	sheriff's department
Fire Prevention and Control	\$ 595,202	\$ 501,272	\$ 53,150	\$ 40,780	84%	9%	7%	fallback
Civil Defense	\$ 228,609	\$ 179,285	\$ 40,489	\$ 8,836	78%	18%	4%	administrative percentage
Other Emergency Management	\$ 140,209	\$ 109,958	\$ 24,832	\$ 5,419	78%	18%	4%	administrative percentage
<b>Total Public Safety</b>	\$ 5,175,332	\$ 4,374,471	\$ 578,782	\$ 222,079	85%	11%	4%	
<b>Public Health and Welfare</b>								
Local Health Center	\$ 73,040	\$ 73,040	\$ -	\$ -	100%	0%	0%	residential
Ambulance/Emergency Medical Services	\$ 100,000	\$ 90,413	\$ 9,587	\$ -	90%	10%	0%	department interview
Dental Health Program	\$ 225,857	\$ 225,857	\$ -	\$ -	100%	0%	0%	residential
General Welfare Assistance	\$ 34,028	\$ 34,028	\$ -	\$ -	100%	0%	0%	residential
Sanitation Management	\$ 118,749	\$ 93,128	\$ 21,031	\$ 4,590	78%	18%	4%	administrative percentage
<b>Total Health and Welfare</b>	\$ 551,674	\$ 516,466	\$ 30,618	\$ 4,590	94%	6%	1%	

EXPENDITURES	Actual	Residential	Commercial/ Industrial	Farmland	Land Use %			Source/ Reason
<b>Social, Cultural and Recreational Services</b>								
Senior Citizens Assistance	\$ 48,626	\$ 48,626	\$ -	\$ -	100%	0%	0%	residential
Libraries	\$ 13,600	\$ 13,600	\$ -	\$ -	100%	0%	0%	residential
Parks and Fair Boards	\$ 8,100	\$ 8,100	\$ -	\$ -	100%	0%	0%	residential
Other Social, Cultural and Recreational	\$ 3,000	\$ 3,000	\$ -	\$ -	100%	0%	0%	residential
<b>Total Social, Cultural and Recreational</b>	\$ 73,326	\$ 73,326	\$ -	\$ -	100%	0%	0%	
<b>Agriculture &amp; Natural Resources</b>								
Agriculture Extension Service	\$ 75,156	\$ 54,000	\$ -	\$ 21,156	72%	0%	28%	department interview
Soil Conservation	\$ 79,167	\$ 3,958	\$ -	\$ 75,209	5%	0%	95%	department interview
<b>Total Ag. &amp; Natural Resources</b>	\$ 154,323	\$ 57,958	\$ -	\$ 96,365	38%	0%	62%	
<b>Other Operations</b>								
Tourism	\$ 50,000	\$ -	\$ 50,000	\$ -	0%	100%	0%	commercial
Industrial Development	\$ 47,125	\$ -	\$ 47,125	\$ -	0%	100%	0%	commercial
Other Economic and Comm. Development	\$ 821,692	\$ -	\$ 821,692	\$ -	0%	100%	0%	commercial
Veterans' Services	\$ 11,889	\$ 11,889	\$ -	\$ -	100%	0%	0%	residential
Miscellaneous	\$ 242,768	\$ 190,389	\$ 42,996	\$ 9,383	78%	18%	4%	administrative percentage
Principal on Capitalized Leases	\$ 4,145	\$ 3,251	\$ 734	\$ 160	78%	18%	4%	administrative percentage
Interest on Capitalized Leases	\$ 1,486	\$ 1,165	\$ 263	\$ 57	78%	18%	4%	administrative percentage
<b>Total Other Operations</b>	\$ 1,179,105	\$ 206,694	\$ 962,811	\$ 9,601	18%	82%	1%	
<b>TOTAL GENERAL FUND</b>	\$ 11,415,198	\$ 8,952,277	\$ 2,021,727	\$ 441,195	78%	18%	4%	
<b>SPECIAL FUNDS</b>								
<b>Public Library</b>	\$ 169,260	\$ 169,260	\$ -	\$ -	100%	0%	0%	residential service
<b>Solid Waste/Sanitation Fund</b>								
Total Postclosure Care Costs	\$ 6,716	\$ 6,072	\$ 644	\$ -	90%	10%	0%	department interview
Highways, Litter and Trash Collection	\$ 736,842	\$ 515,789	\$ 221,053	\$ -	70%	30%	0%	department interview
<b>Total Solid Waste</b>	\$ 743,558	\$ 521,862	\$ 221,696	\$ -	70%	30%	0%	
<b>Drug Fund</b>	\$ 41,439	\$ 41,439	\$ -	\$ -	100%	0%	0%	
<b>Constitutional Officers - Fees Fund</b>								
County Trustee's Office	\$ 190,901	\$ 154,992	\$ 32,683	\$ 3,226	81%	17%	2%	finance department
County Clerk's Office	\$ 4,487	\$ 3,622	\$ 864	\$ 1	81%	19%	0%	finance department
Circuit Court Clerk	\$ 141	\$ 122	\$ 18	\$ 1	87%	13%	1%	court records
<b>Total Officers Fees Fund</b>	\$ 195,529	\$ 158,736	\$ 33,565	\$ 3,228	81%	17%	2%	
<b>Highways/Public Works Fund</b>								
Administration	\$ 305,512	\$ 244,952	\$ 39,196	\$ 21,365	80%	13%	7%	department interview
Highway and Bridge Maintenance	\$ 2,458,782	\$ 2,090,662	\$ 258,204	\$ 109,916	85%	11%	4%	department interview
Operation and Maintenance of Equipment	\$ 362,277	\$ 276,340	\$ 39,848	\$ 46,089	76%	11%	13%	department interview
Other Charges (animal control)	\$ 323,260	\$ 274,771	\$ 16,163	\$ 32,326	85%	5%	10%	department interview
Employee Benefits	\$ 569,374	\$ 434,311	\$ 62,627	\$ 72,436	76%	11%	13%	department interview
Capital Outlay	\$ 929,388	\$ 790,243	\$ 97,598	\$ 41,547	85%	11%	4%	department interview
<b>Total Highway/Public Works</b>	\$ 4,948,593	\$ 4,111,280	\$ 513,635	\$ 323,678	83%	10%	7%	

EXPENDITURES	Actual	Residential	Commercial/ Industrial	Farmland	Land Use %			Source/ Reason
<b>General Debt Service Fund</b>								
Principal - Education	\$ 4,135,000	\$ 4,135,000	\$ -	\$ -	100%	0%	0%	residential
Interest								
General Government	\$ 61,207	\$ 48,001	\$ 10,840	\$ 2,366	78%	18%	4%	administrative percentage
Education	\$ 1,440,683	\$ 1,440,683	\$ -	\$ -	100%	0%	0%	residential
Other Debt Service								
General Government								
Trustee's Commission	\$ 103,572	\$ 81,226	\$ 18,343	\$ 4,003	78%	18%	4%	administrative percentage
Other Debt Issuance Charges	\$ 9,441	\$ 7,404	\$ 1,672	\$ 365	78%	18%	4%	administrative percentage
Education	\$ 46,778	\$ 46,778	\$ -	\$ -	100%	0%	0%	residential
<b>Total General Debt Service Fund</b>	\$ 5,796,681	\$ 5,759,092	\$ 30,856	\$ 6,734	99%	1%	0%	
<b>General Capital Projects Fund</b>								
Education Capital Projects.	\$ 30,000	\$ 30,000	\$ -	\$ -	100%	0%	0%	residential
Architects	\$ 79,398	\$ 66,868	\$ 7,090	\$ 5,440	84%	9%	7%	administrative percentage
Other Contracted Services	\$ 8,496	\$ 7,155	\$ 759	\$ 582	84%	9%	7%	administrative percentage
Highway Construction	\$ 1,263,722	\$ 1,074,522	\$ 132,707	\$ 56,493	85%	11%	4%	road use
<b>Total Capital Projects Funds</b>	\$ 1,381,616	\$ 1,178,545	\$ 140,556	\$ 62,515	85%	10%	5%	
<b>TOTAL SPECIAL FUNDS</b>	\$ 13,276,676	\$ 11,940,214	\$ 940,308	\$ 396,154	90%	7%	3%	
<b>TOTAL COUNTY GOVERNMENT</b>	\$ 24,691,874	\$ 20,892,490	\$ 2,962,035	\$ 837,349	85%	12%	3%	
EDUCATION	\$ 73,485,661	\$ 73,485,661	\$ -	\$ -	100%	0%	0%	residential
<b>TOTAL EXPENDITURES</b>	\$ 98,177,535	\$ 94,378,151	\$ 2,962,035	\$ 837,349	96%	3%	1%	
<b>FINDINGS</b>								
Revenue	\$ 98,876,129	\$ 88,250,003	\$ 9,166,113	\$ 1,460,013	89.3%	9.3%	1.5%	
Expenditure	\$ 98,177,535	\$ 94,378,151	\$ 2,962,035	\$ 837,349	96.1%	3.0%	0.9%	
Net	\$ 698,594	\$ (6,128,148)	\$ 6,204,078	\$ 622,664				
Ratio		1.07	0.32	0.57				
Revenue Land Use %		89.25%	9.27%	1.48%				
Expenditure Land Use %		96.13%	3.02%	0.85%				

**APPENDIX B: Real and Personal Property - Land Use Tax Calculation**

Tipton County, TN

<b>Real Property Value</b>		<b>COCS Study Adjustments</b>			
July 30, 2004 assessed					
<b>Property Class</b>	<b>Assessed Value</b>	<b>Residential</b>	<b>Commercial</b>	<b>Farmland</b>	<b>Value Adjustments</b>
Commercial	\$ 84,355,080	\$ 16,919,200	\$ 67,435,880	\$ -	The value of apartments and rentals (duplexes, townhouses) is moved to residential.
Industrial	\$ 8,811,440	\$ -	\$ 8,811,440	\$ -	100 percent commercial
Residential	\$ 411,904,150	\$ 411,904,150	\$ -	\$ -	100 percent residential
Farm	\$ 4,823,400	\$ 2,894,040	\$ -	\$ 1,929,360	market use value, homes are 60% of value
Agricultural	\$ 58,701,050	\$ 34,046,609	\$ -	\$ 24,654,441	greenbelt program, ag land is 42% of value
<b>Total Real</b>	\$ 568,595,120	\$ 465,763,999	\$ 76,247,320	\$ 26,583,801	
<b>Personal Property</b>					
<b>Tangible</b>					
<b>Class</b>	<b>Assessed Value</b>	<b>Residential</b>	<b>Commercial</b>	<b>Farmland</b>	
Commercial	\$ 31,796,339	\$ -	\$ 31,796,339	\$ -	
Industrial	\$ 2,406,850	\$ -	\$ 2,406,850	\$ -	
<b>Total Personal</b>	\$ 34,203,189	\$ -	\$ 34,203,189	\$ -	
<b>Total Property</b>	\$ 602,798,309	\$ 465,763,999	\$ 110,450,509	\$ 26,583,801	\$ 602,798,309
<b>Percent by Land Use</b>		<b>0.7727</b>	<b>0.1832</b>	<b>0.0441</b>	<b>1.0000</b>

The total difference in market and use appraisals for agricultural, open space, and forest land equals assessed value of \$45,838,325.

Source: Tennessee Comptroller of the Treasury, Division of Property Assessments

**APPENDIX C: Real Property - Fallback Calculation**

Tipton County, TN

Real Property Value				COCS Study Adjustments			
Property Class	Assessed	Market Value Adjustment	Market Value	Residential	Commercial	Farmland	Notes and Value Adjustments
Public Utilities	\$ 39,792,268	55%	\$ 72,342,343	\$ -	\$ 72,342,343	\$ -	100 percent commercial The value of apartments and rentals (duplexes, townhouses) is moved to residential.
Commercial	\$ 84,355,080	40%	\$ 210,887,700	\$ 42,298,000	\$ 168,589,700	\$ -	100 percent commercial
Industrial	\$ 8,811,440	40%	\$ 22,028,600	\$ -	\$ 22,028,600	\$ -	100 percent residential
Residential	\$ 411,904,150	25%	\$ 1,647,616,600	\$ 1,647,616,600	\$ -	\$ -	Properties appraised at market value, not TN greenbelt. Value of homes and related land moved to residential.
Farm	\$ 4,823,400	25%	\$ 19,293,600	\$ 11,576,160	\$ -	\$ 7,717,440	Properties appraised at current value under TN greenbelt program. Value of homes and related land moved to residential.
Agricultural	<u>\$ 58,701,050</u>	25%	<u>\$ 234,804,200</u>	<u>\$ 96,269,722</u>	<u>\$ -</u>	<u>\$ 138,534,478</u>	
	\$ 568,595,120		2,134,630,700	\$ 1,797,760,482	\$ 190,618,300	\$ 146,251,918	\$ 2,134,630,700
<b>Percentage of Value by Land Use</b>				<b>84.2%</b>	<b>8.9%</b>	<b>6.9%</b>	<b>100.00%</b>