

Comparison Table of Sales Tax and GO Bond Questions

Bond	When does the Council need to decide?	Who picks projects and amounts?	What kinds of projects are eligible?	Who has final approval power?	How is it repaid?	When must funds be spent?	What else to know?
Sales Tax Revenue Bond	No legal deadline for Council to decide	Council selects projects and funding amounts	Capital improvement projects but not operations or maintenance*	Council makes final decision	The General Fund transfers to CIP each year to cover debt payments on sales tax revenue bonds	A <u>taxable</u> sales tax bond must have funds spent within three years of issuance A <u>tax-exempt</u> bond does not have a spending deadline	Second cheapest way for the City to issue debt Subject to debt coverage ratio which is less than GO Bonds
General Obligation (G.O.) Bond	August 16 is the last regularly scheduled Council meeting to place on the November 2022 ballot Decision must be at least 75 days before Election Day	Council selects projects and funding amounts	Capital improvement projects but not operations or maintenance*	Voters make final decision	Voters approve a property tax increase on themselves when approving G.O. bonds, and that levy directly pays the bond debt The levy is automatically eliminated when the bond is paid off, so property taxes go back down	Bond must be issued within 10 years of voter approval Issuing bonds sooner is preferable because inflation decreases purchasing power over time	This is the cheapest way for the City to issue debt Tax exempt properties do not pay Subject to a debt coverage ratio which is relatively high

**Up to 5% can be spent on operations and maintenance directly related to the bond-funded projects per IRS regulations and Utah law further limits this to a one-year period*