



## **Utah Taxpayers Association's Position on Walker Proposal #12: Prohibit RDAs for Retail and Office Parks**

Walker's proposal correctly acknowledges the problems with RDAs, but the recommendation – allowing local governments to opt out of RDAs -- is too weak since school district and county officials frequently give in to political pressure from city leaders. A stronger approach is needed: prohibit RDAs for retail and office/business parks.

### **The current RDA situation has several problems.**

- Nearly \$100 million are being diverted from local governments largely to subsidize economic activity that would normally occur in Utah on its own without subsidy. About half of this amount is being diverted from school districts.
- RDA diversions are growing at an alarming rate, about 12.4% annually.
- Currently, 5.5% of property tax base is being diverted to RDAs.
- RDAs are generally not being used for non-blighted areas. Photos can be viewed at [www.utahtaxpayers.org](http://www.utahtaxpayers.org). In many cases, “blight” has become synonymous with conditions that make land parcels less than 100% perfect for development.
- One government entity should not be allowed to appropriate another tax entities' tax base. If blight truly exists – Utah has very little blight – then cities should use their own tax base to eliminate the blight.
- Policy makers should not be demanding higher sales taxes earmarked for open space preservation while insisting on giving subsidies to developers to build on open space.
- Subsidizing retail is not economic development. Economic development occurs when business and worker productivity increases and when wealth is imported into the state by exporting goods and services.