



# UTAH FOUNDATION

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## **Report Explores Utah's Local Incentives in National Context** *Utah Foundation Analysis Suggests Need for Better Reporting to Public*

(December 9, 2020) – Today, Utah Foundation releases *Insights on Incentives: Optimizing Local Approaches to Tax Incentives in Utah*, the third installment in the Economic Development Incentives Series. The first report provided an overview of incentives, and the second focused on state-level incentives. The new report examines local practices through an analytical framework that asks whether incentives are being used in a manner that is strategic, coordinated, effective, efficient and transparent. It also analyzes local interpretations of national accounting standards to determine whether Utah governments are following those standards.

Among the report's findings:

- Utah governments are twice as likely to use tax increment financing to fund economic development compared to their national peers.
- Utah's local economic development officials report fewer barriers to economic development in their community compared to officials nationally.
- Local economic development officials in Utah are more likely to have a written economic development plan compared to officials nationally.
- Local economic development officials in Utah are less likely to measure the success of their incentive programs than officials nationally. However, they are far more likely to require performance agreements of incentive beneficiaries.
- Local economic development officials in Utah report lower levels of competition than officials nationally for jobs and tax base among local governments in the region. Interestingly, however, they also report lower levels of intergovernmental cooperation.
- Local economic development officials in Utah take a variety of analytical approaches – with significant variation in rigor – when evaluating whether an incentive investment is worthwhile.
- Various local governments in Utah appear to be misunderstanding national accounting standards regarding the reporting of incentives, resulting in inadequate levels of transparency.

“There is much that local governments are doing well in Utah, but also room for improvement in some quarters,” Utah Foundation President Peter Reichard said. “Our analysis uncovered the need for more strident adherence to national accounting standards, which will help to promote transparency and accountability to the public.”

Special thanks to **Salt Lake County, the Utah League of Cities and Towns, the Salt Lake Chamber** and **the Utah County Chamber** for supporting the Economic Development Incentives Series. All three reports are available at [www.utahfoundation.org](http://www.utahfoundation.org).

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*Founded in 1945, Utah Foundation's mission is to produce objective, thorough and well-reasoned research and analysis that promotes the effective use of public resources, a thriving economy, a well-prepared workforce and a high quality of life for Utahns. Utah Foundation seeks to help decision-makers and citizens understand and address complex issues. Utah Foundation also offers constructive guidance to improve governmental policies, programs and structures.*

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