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SUN FALL

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Commission supports East Carbonics bond

By RICHARD SHAW
Staff reporter

During last week's public meeting, the county commissioners voted to write a letter of support for a company planning to locate its facilities at the old Banning loadout near Sunnyside Junction.

"East Carbonics, a Sanpete County company, has found the fifth largest CO2 deposit in the nation near Sunnyside Junction," explained Dave Sorensen from the state manufacturing extension program. "It is in what is called the Farnum Dome and right now they are trying to activate two older wells and put in a third one."

Sorensen presented the proposal to Carbon commissioners along with county economic development director Delynn Fielding.

Once the CO2 is out of the ground and East Carbonics builds a processing plant, the company will directly employ three to five workers. However, possible spin off industries are also of particular interest the county.

Carbon dioxide is used in a variety of ways, affecting products from soda pop to refrigeration processes.

Because of the large amounts of carbon dioxide used in some items, it is cheaper to transport or manufacture products in the production area than it is to send the CO2 to plant sites. The situation could mean a number of industries moving to Carbon to utilize the natural resource.

The total bond would be for \$8.6 million. But Commissioner Mike Milovich pointed out that the county has no obligation in the process.

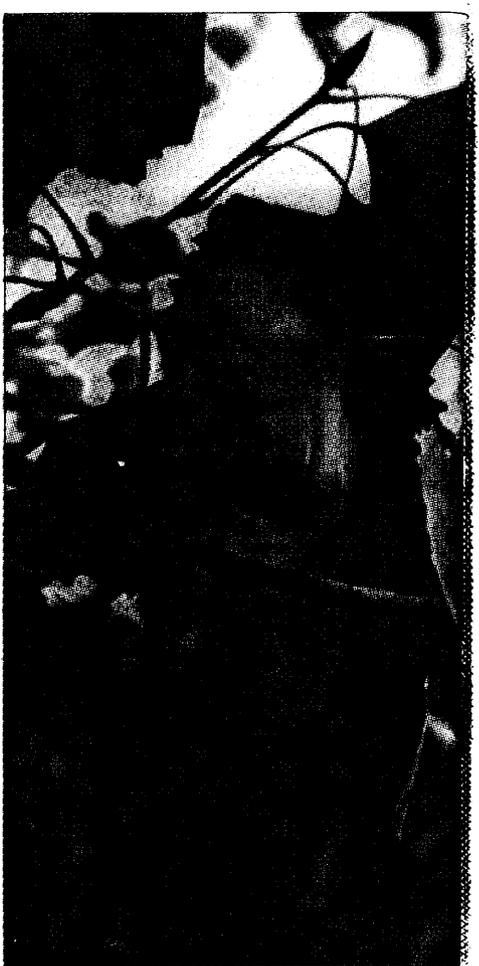
"The county is not liable for these general obligation bonds," stated Milovich. "The county issues the bonds but the money comes from the state. This has a real upside to it, despite the fact initially it will be a small project."

Based on expected production the Farnum Dome area, Sorensen said the company will be tapping has an estimated 105-year supply of CO2.

"The company expects to produce 200 to 400 tons per day," stated Sorensen. "And they already have contracts signed to sell it all."

The agreement specifies that the county has to approve should the company be sold to another group or corporation.

"This is a very good idea,"
(Continued on page 5A)



Colorful autumn scenery

With the arrival of extremely cold weather, the quickly fading away from the landscape in Car...



Property tax monies expected to increase

Statewide property tax... School districts in

Tax monies expected to:

(Continued on page 1A)

taxes. Special service district property taxes climbed 3.4 percent and accounted for 7.1 percent of the statewide increase. Special service districts' share of total property taxes decreased slightly from 11.1 percent to 11.0 percent.

Cities continue to divert a growing share of total real and personal property taxes, including the school district, county, and special service district portions, to Redevelopment Agencies (RDAs).

In 2003, Utahns will pay \$1.52 billion in real and personal property taxes to local governments, but most taxpayers are unaware that \$72 million of this amount, or 4.8 percent of the total, will be funneled to RDAs to subsidize retail activity.

Valuation-weighted tax rates are determined by dividing real and personal property tax revenues by total property valuation. These rates increased from 2002 to 2003.

County effective tax rates are determined by dividing total property taxes charged by all tax entities within a county — including school districts, cities, special service districts, and the county itself by the county's total assessed valuation. Carbon's effective tax rate, set at 0.011544 last year, was the 11th highest in the state. The highest rate was in San Juan County where the rate is 0.015463. The lowest rate is found in Wayne County with a 0.007524 rate. Emery County is ranked among the top five highest with a rate of 0.013082.

When it comes to total rates for individual entities, such as school districts, cities and counties, the picture can take on a different view. For instance, Emery County has the highest tax rate in the state at 0.004558.

Valuation-weighted tax rates vary dramatically from county to county for several reasons. Some local governments are operated more efficiently than others. Nevertheless, counties and school districts with low property tax bases, which may be due to low property values and/or low population bases, need to provide the same services as counties with high property tax bases. However, a high tax base does not guarantee a low tax rate. Salt Lake City has the highest tax rate of any major city in Utah despite having one-third of the state's municipal tax base and ten percent of the state's incorporated population.

In addition to fiscal efficiency, other factors impact average property tax rates. At the city level, property tax rates are impacted by decisions to impose utility franchise fees. Most urban cities impose the fees, while many rural towns do not. City property taxes are also impacted by sales tax bases. Many Utah cities use RDA subsidies to encourage economic development.

School district property tax rates are impacted by enrollment growth rates and assessed valuation per student. Rapidly growing districts with modest to low assessed valuations per student like Tooele, Jordan, Nebo, and Alpine typically have high tax rates.

Commission supports bond:

(Continued from page 1A)

commented Commissioner Bill Krompel. "This would be the second CO2 plant in the county. And the bonds have proven successful here."

"Both East Carbon Development Corporation and the co-gen plant in Sunnyside were built with similar bonds," added Krompel.

Introducing an unrelated matter, Mary Ann Wright of the Utah Division of Oil, Gas and Minerals pointed out that Johnny Pappas was recently honored with an award for reclamation efforts at Hard Scrabble Canyon.

Hardscrabble was part of the Castle Gate-Willow Creek coal mine complex.

"In 20 years of giving

awards, this is the best reclamation site we have seen," commented Wright.

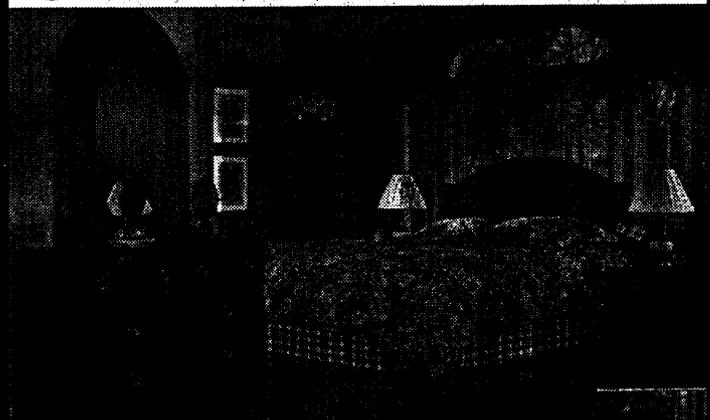
"This is not a state award, but a national award. And it was picked the best of the best in the nation for this year as well," added the Utah DOGM representative.

Wright showed a nationally produced video program that outlined the winners.

Reclamation projects from Alabama, Wyoming, Texas and Illinois were all national award winners. But the local reclamation effort was considered the top project.

"It's the first time in 20 years that a coal mine reclamation in Utah has won," noted Wright. "It is the best of the best."

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