

## Local Government Revenue Systems: Key Takeaways

1. Taxes, charges, fees, and intergovernmental transfers are the primary funding mechanisms for local governments.
2. Rising costs, decreased revenue, emergencies, legislative changes, and other factors have made it increasingly difficult to fund local governments.
3. In response to these challenges, local governments have found alternative revenue sources, such as special tax districts, bond measures, and grants.
4. In California, Proposition 13 led to a significant decrease in property tax revenue, paving the way for the Community Facilities District Act of 1982 as a means of replacing lost revenue.
5. Local governments allocate resources to the following funds: general funds, special revenue funds, enterprise funds, internal service funds, and capital project funds—with the general fund containing the largest share.

[HdL Companies](#) - an excellent resource for information about taxes and revenue at the municipal level.