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Reflections on Azar

Enterprise Fund Transfers



KOMPLET

Ways to Transfer from the Enterprise Fund

Direct Transfers

For economic development, community programming, or otherwise.

Indirect Cost Recovery

For example, an allocation for a percentage of administrative time

Discretionary Transfers

Transfers from profit of the system

Other Structured Transactions

Franchise fees, payments in lieu of taxes, voluntary exactions

So what does Azar say about direct transfers?

Such revenues “must be used to pay costs related to the provision of the service or program for which the fee was paid.”

Economic Development?

Is adding new customers sufficient?



Enterprise Fund

Community Outreach?

What about a water bill subsidy program?



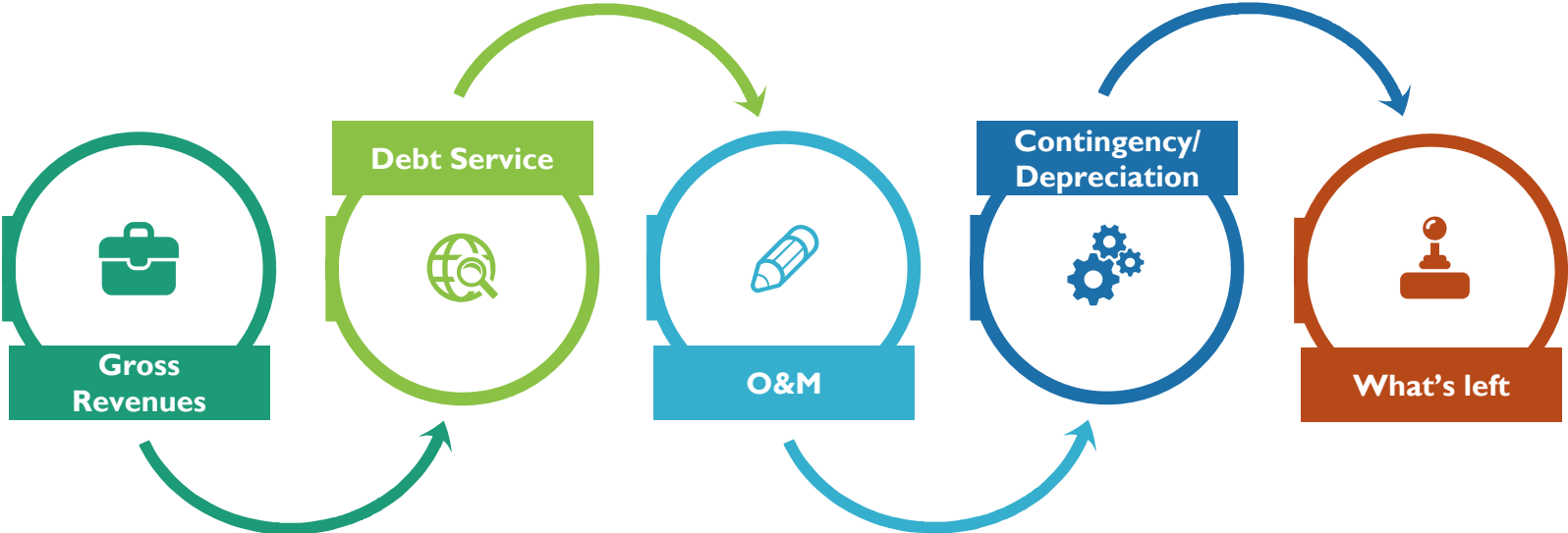
Parks, Gardens, Other Assets?

Should you create a legislative finding for every “related” expenditure you make?



What about discretionary transfers?

Cash Flow of the Enterprise System



Under *Azar*, only “surplus revenues” can leave the system.

Are There Alternatives?

Franchise Fees



Business Licensing



**Payments in
Lieu of Taxes**



**Other Recovery
Methodologies?**

