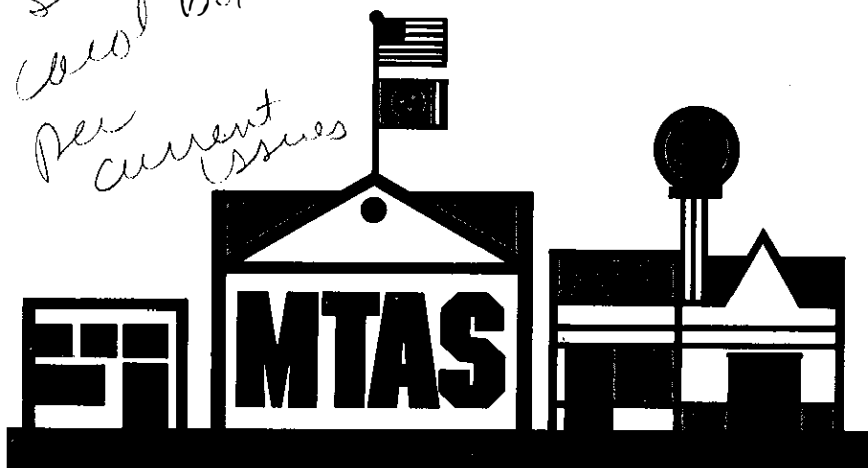


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Municipal Technical Report

TIMING
OF A
SPECIAL CENSUS

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**MUNICIPAL TECHNICAL ADVISORY SERVICE/The University of Tennessee
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To obtain the maximum benefit in state-shared taxes, when are the best times for a municipality to conduct the twice-in-a-decade special censuses authorized by Tennessee law? Covered in this report are the major factors a city must consider in answering this question.

A. Types of Special Censuses

Regulations of the Tennessee State Planning Office, as reissued in June 1981, define three types of special censuses:

1. Census of Annexed Territories. A census of annexed territory can be taken at any time. In most cases it is done soon after annexation. This permits the added population to be counted, in the recalculations as of each July 1, for purposes of distributing state-shared taxes. However, where a city annexes a lightly-populated territory scheduled for early development, municipal officers may decide to delay the population count until the area is substantially developed. Only one special census can be certified for the same area, although the annexed area may be included in a later city-wide special census.

2. Census of a New Municipality. A special census of the population of a newly-incorporated municipality may be taken at any time at the initiative of the elected officials of the municipality.

3. City-Wide Special Census. A series of public acts authorize the taking of not more than two city-wide special censuses, during the 10-year period between regular federal censuses, for the purpose of recalculating and increasing the city's share of revenue from the state gasoline, beer, and sales taxes. The specific citations from the Tennessee Code Annotated are these:

Gasoline Tax	Sect. 54-4-203 TCA
Beer Tax	Sect. 57-5-205 TCA
Sales Tax	Sect. 67-3047 TCA

Although state law does not specify that municipal shares of the TVA in-lieu-of-tax payments and municipal shares of the special tax on petroleum products (often referred to by the old name of gasoline inspection fee) shall be increased as a result of a special city-wide census, this is, in fact, the case. Both the Comptroller's Office, for the TVA payments, and the Department of Revenue, for the special tax on petroleum products, use the municipal populations certified annually as of July 1 by the Tennessee State Planning Office. And, of course, the TSPD is authorized to certify special censuses if conducted in accordance with their regulations.

The municipal share of the state income tax on stocks and bonds is distributed on the basis of the residence of the owner of the out-of-state securities and not on a per capita basis.

B. Factors to Consider in Planning a City-Wide Special Census.

It is the third type of special census--the city-wide special census--with which this technical report deals. Factors to consider in timing such a special census include an estimate of the number of present residents not counted in the 1980 Federal Census, and estimates, by year, of the number of new residents who are likely to settle in the city during the balance of the decade. Of somewhat lesser importance is the likely rate of increase or decrease in the per capita shares of the various state-shared taxes during the rest of the decade.

The municipal portion of state-shared taxes and appropriations, as estimated each spring by MTAS, totalled \$29.40 per capita in Fiscal Year 1973-74 and \$43.17 for Fiscal Year 1982-83 (the latter figure was re-estimated by MTAS Dec. 17, 1982,

due to economic conditions affecting state revenues). The annual rate of increase for this 10-year period is 4.7%. During the decade, some state-shared appropriations have been discontinued and certain new tax shares initiated. Faced with the uncertainty of the times, it would be difficult to estimate the rate of change during the next half dozen years. Accordingly, the tables in this technical report reflect only a continuation of the present revised estimate of \$43.17 from these shared taxes.

Exhibit 1 is a projection of the per capita municipal shares through fiscal year 1989-90.

Exhibit 2 gives examples of special censuses taken at various times and the financial effect of adding each new resident.

Exhibit 3 provides examples of shared-tax yields with new population groups of varying sizes and at different times.

General revenue sharing has not been counted in these calculations as it is a federal program, there is a several years' delay before the receipt of additional monies based on increased population, and the future of the program is uncertain.

Among studies commonly made by planning commissions are population forecasts. It would be desirable for your planning commission to project such population growth for the present city on a year-to-year basis to 1990. The results could be tabulated quite simply, like this:

Est. No. of Citizens in Present City Not Counted in <u>1980 Census</u>	Est. No. of Citizens Settling in City in:				FY <u>1989-90</u>	TOTAL
	FY <u>1980-81</u>	FY <u>1981-82</u>	etc. to			

Then the technique used herein could be applied to the yearly estimates to help determine the best time for a special census in your city.

C. Proceeding With a City-Wide Special Census

A city-wide special census may be conducted in two ways:

1. Under Regulations of the Tennessee State Planning Office

A municipality conducts its own census in accordance with the requirements of the Tennessee State Planning Office. It then pays that office, for each person enumerated, 10 cents for verifications and certification of the census.

If you do not already have a copy of the June 1981 reissue of "Procedures for Taking Special Censuses for Population Certification," request one from:

Tennessee State Planning Office
1800 James K. Polk State Office Building
505 Deaderick Street
Nashville, TN 37219
Telephone 615/741-2211

2. By U.S. Bureau of the Census

The Bureau of the Census conducts the census, using local persons hired by a census supervisor. The overall cost may be higher and the time longer, but the information is more detailed than if conducted by the municipality under rules of the Tennessee State Planning Office.

Additional information is contained in the leaflet, "Federal Special Censuses," Form SC-1, which is reproduced as Appendix A of this technical report.

EXHIBITS

Exhibit 1

PROJECTION OF PER CAPITA MUNICIPAL SHARES OF
STATE-SHARED TAXES^a

	1	2	3	4	5	6	7
Fiscal Year ^b	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Per Capita (by Yr.)	\$43.17	43.17	43.17	43.17	43.17	43.17	43.17
1. Accumulative (Yr. by Yr.)	\$43.17	86.34	129.51	172.68	215.85	259.02	302.19
2.		43.17	86.34	129.51	172.68	215.85	259.02
3.			43.17	86.34	129.51	172.68	215.85
4.				43.17	86.34	129.51	172.68
5.					43.17	86.34	129.51
6.						43.17	86.34
7.							43.17

a) - Based on revised MTAS estimates for FY 1982-83:

State Sales Tax	\$24.26	Special Tax on Petroleum Products	\$ 2.79
State Gasoline Tax	13.06	Gross Receipts Tax (TVA in-lieu)	2.61
State Beer Tax	.45	Total	\$43.17

b) - This refers to the state's fiscal year, beginning July 1 and ending the following June 30.

Note: Because the distribution of the state tax on income from stocks and bonds is based on residence of the taxpayer, the per capita amounts will vary from city to city and are not included in the previous table.

Explanation of Exhibit 1

This exhibit demonstrates that the sooner a person is counted in the city population, the greater the accumulation of state-shared taxes will be. For example, in Line 1 of the exhibit, a new resident counted for the 1983-84 fiscal year would bring the city a total of \$302.19 by the end of the current decade. If the resident is not counted until FY 1986-87 (Line 4), the total that could be accumulated would be only \$172.68.

While "the sooner the better" appears to be the answer, the city is restricted to no more than two special city-wide censuses during the decade; therefore, the choice of when to take these censuses should be made on the basis of when revenues can be maximized.

Exhibit 2

EXAMPLES OF SPECIAL CENSUS TAKEN AT VARIOUS TIMES

Basic Case

Citizen A now lives in the city but wasn't counted in the 1980 Federal Census. If the Board of Mayor and Aldermen calls for a special city-wide census that can be completed and then certified by the Tennessee State Planning Office or the Bureau of the Census prior to July 1, 1983, Citizen A will be counted for shared taxes starting on July 1, 1983. He or she will be worth \$43.17 to the city for FY 1983-84 and each succeeding fiscal year, as shown on the "Per Capita (by Yr.)" line in Exhibit 1. These annual amounts would total \$302.19 for the seven fiscal years before the 1990 Federal census takes effect (Line 1).

Example 1

The city has taken a special census and had it certified prior to July 1, 1983. The city estimates that there will be little population growth during the balance of the decade so that the increased yield from state-shared taxes would not offset the cost of a second census. Citizen A will be worth a total of \$302.19 to the city for the balance of the decade, as indicated in the Basic Case, above. New Citizen B moves into the city on any date after taking of the special census, and therefore is not counted for shared taxes until 1990. The city's total receipts on behalf of these two citizens remain at \$302.19.

Example 2

New Citizen B moved into the city Oct. 1, 1982, and the city does not take and have certified its special census until March 1983. As a result, New Citizen B will be counted for the distribution of state-shared taxes as of July 1, 1983. The same is

true for Citizen A. Although Citizens A and B are presently living in the city, under the circumstances of this example the city will receive no shared taxes on their behalf for FY 1982-83, since July 1 each year is the recalculation date for city populations for purposes of shared taxes. Citizens A & B each will be worth \$43.17 to the city for FY 1983-84 (Line 1, Col. 1, Exh. 1) or a total for both citizens of \$604.38 (Line 1, Col. 7 x 2, Exh. 1) for the seven remaining years of the present decade.

Example 3

The city takes and has certified two special censuses, in March 1985 and March 1988. In this example, Citizens A and D moved into the city in July 1982, Citizen B in September 1986, Citizen C in October 1988, but Citizen D moved out of the city in August 1987. The effect on the city's shared taxes:

	<u>First counted as of</u>	<u>Total shared tax accumu- lation for city thru FY 89-90</u>
Citizen A	July 1, 1985	\$215.85 (Line 3, Col. 7)
Citizen B	July 1, 1988	86.34 (Line 6, Col. 7)
Citizen C	Not counted	None
Citizen D	July 1, 1985, but dropped from count July 1, 1988	129.51 (for FYs 1985- 88, only)

Exhibit 3

EXAMPLES OF SHARED-TAX YIELDS IN VARIOUS CIRCUMSTANCES

No. of Uncounted Present Citizens	Special Census(es) Made on March 15 & Certified Prior to July 1:	No. of New Citizens Arriving in City:			Total Estimated Income for City for Balance of Decade after Certif. of Special Census(es)
		PRIOR to 1st Special Census	PRIOR to 2nd Special Census	AFTER 2nd Special Census	
100	1983	None	No 2nd Census	None	\$30,219 (Line 1, Col. 7 x 100, Exhibit 1)
100	1983, 1986	None	None	100	\$30,219
100	1983, 1986	100	100	None	\$77,706 (Line 1, Col. 7 x 200, <u>plus</u> Line 4, Col. 7 x 100)
100	1983, 1986	None	100	100	\$47,487 (Line 1, Col. 7 x 100, <u>plus</u> Line 4, Col. 7 x 100)

200	-	No 1st Census	No 2nd Census	None	No Income
None	1983, 1986	100	200	300 (arrived in Oct. '87) ^a	\$64,755 (Line 1, Col. 7 x 100), <u>plus</u> Line 4, Col. 7 x 200)
None	1983, 1988	100	500 ^a	None	\$73,389 (Line 1, Col. 7 x 100), <u>plus</u> Line 6, Col. 7 x 500)

a) In comparing the last two examples, it can be seen that by delaying the second city-wide census from the spring of 1986 to the spring of 1988, the 300 new residents who arrived in October 1987 could be counted and the resulting shared tax revenues would be \$8,634 greater.

D. Conclusions From Exhibits

Of course, these unit examples can be multiplied by many population figures. The general rule to maximize the revenue from state-shared taxes is to schedule the permitted two special city-wide censuses soon after the inflow of sizable numbers of new residents.

If it is believed that numerous residents were omitted in the last federal decennial census, a city-wide census could be scheduled fairly early to obtain this missed population count. If a large influx of persons is expected late in the decade, save your second special census for the last few years. If the city's population remains stable or is declining, you would not want to conduct any special census during the period between federal censuses.

Cities with computer capacity might want to program many different computations, according to various assumptions of population, dates, and shared-tax yields, before deciding when or whether to schedule a special census.

Technical Assistance

For information and/or technical assistance, contact the Municipal Technical Advisory Service Management Consultant serving your city, or MTAS headquarters, 891 20th Street, The University of Tennessee, Knoxville, Tennessee 37996-4400; phone 615/974-5301.

For more detailed information on the Tennessee State Planning Office regulations, contact:

Tennessee State Planning Office
1800 James K. Polk State Office Building
505 Deaderick Street
Nashville, Tennessee 37219

or the regional office serving your area.

BIBLIOGRAPHY

1. "Procedures for Taking Special Censuses for Population Certification," June 1981, Local Planning Assistance Office, Tennessee State Planning Office, Nashville, TN, 8 pp.
2. "Federal Special Censuses," Form SC-1 (10-14-81), Bureau of the Census, U.S. Department of Commerce, Washington, DC, 2 pp.
3. "Revised Estimates of 1982-83 State-Shared Taxes," by Ken Joines & Jim Leuty, MTAS, Knoxville, TN. MTAS Technical Bulletin dated Dec. 17, 1982, 3 pp.

APPENDIX

FEDERAL SPECIAL CENSUSES

U.S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS
WASHINGTON, D.C. 20233

GENERAL INFORMATION

The Bureau of the Census has a special census program for cities, towns, villages, counties, townships, and school districts which need up-to-date census figures. Such a census, taken under Federal supervision, is consistent with the federal censuses taken every 10 years. Many states recognize the counts of federal censuses for distribution of tax funds and other matters. If there is any doubt whether a special census would be recognized for the purposes the local government has in mind, it is suggested that the matter be cleared up with the appropriate federal or state authority.

A special census is conducted on a reimbursable agreement and is undertaken only on the authorization of an appropriate state or local government. For example, a countywide census must have the approval of the governing board of the county. A state or

count to any federal, state, or local official, or other individual, upon receipt of a request in writing from the official or individual. The results of all completed censuses will be made available to the public in the Federal Register and in Bureau of the Census publications.

When the community desires to have a special census taken, an authorized official of the community should write a letter to the Bureau of the Census and request an estimate of the cost. This letter should include an estimate of the present population and any special data requirements. The community will then receive information regarding costs. Please refer to "THE COST."

Once the community sends the initial payment to the Bureau, maps of the area will be sent to the community for updating. Normally the census will be scheduled in 90 to 120 days

county can, however, contract to have a census taken for less than the entire jurisdiction. After the final count has been tabulated, it will be provided in writing to the local officials. The Bureau will provide the

after the updated maps are returned. A cost estimate which has not been accepted within 90 days by local officials is subject to revision to take into account any changes in wage rates or other costs that may have occurred.

CONDITIONS

1. The community agrees to pay all necessary expenses. These may exceed the estimate, particularly if the number of persons enumerated exceeds the expected population on which the cost estimate was based.
2. The community agrees to provide suitable office space equipped with furniture, telephones, typewriters, and other equipment necessary for the successful completion of the census.
3. The community should make available qualified, mature persons who are able and willing to work full time as enumerators in the special census.

4. The census supervisor will interview and test these people. Selections for employment will be based on the results of the test.
5. The individual returns from the special census remain the property of the Bureau of the Census.
6. Special tabulations at additional cost may be made available in the form of statistical summaries, provided that no information is released which might disclose the identity of any person. Special tabulations must be requested within 3 months of the date on which the special census count is finalized.

THE ENUMERATION

18 The enumeration is conducted under the same concepts as those which govern the Federal Decennial Census. Members of the Armed Forces living and stationed in the community are included in the enumeration, but persons who have entered the Armed Forces from that particular city or town and who are now stationed elsewhere are not included. Visitors who are staying in the area for the summer only or the winter only are not enumerated unless they are working in the area or have no usual residence elsewhere. Persons enrolled in colleges or universities are enumerated at the place where they stay while attending college. Unlike the Decennial Census, response to a special census is voluntary.

The special census supervisor, who will be an experienced employee of the Bureau of the Census, will make the necessary arrangements for the selection, appointment, and training of the staff, and the conduct of the enumeration. At the conclusion of the enumeration, a preliminary count will be made by the supervisor and the results will be submitted to the local officials requesting the census. The census supervisor may also

release these counts to officials of the political subdivisions of the area enumerated, to news media, and to others who are interested.

The standard questionnaire includes the name of each resident of the special census area, relationship, age, sex, color or race, Hispanic origin. In addition, occupancy/vacancy status, number of units in structure, and tenure are collected for housing units. Exhibit 2 illustrates the data provided to each area at the completion of a special census. These data may be made available for subareas within the census area, e.g., minor civil divisions, enumeration districts, etc., at additional cost.

Summary data for all special censuses are published in semiannual reports issued by the Bureau. Additional unpublished data can also be made available for an extra charge. Further information will be made available upon request. Under certain circumstances, questions may be added, provided that additional lead time is allowed for preparing a new questionnaire and additional estimated costs are agreed upon.

THE COST

Cost estimates for special censuses will be developed individually upon request. As the Bureau receives no appropriations for special censuses, the preparation of the estimate must be done on a reimbursable basis. The fees listed in Exhibit 1 have been established.

Requests for cost estimates should be directed to Special Census Branch, Decennial Census Division, Bureau of the Census, Washington, D.C. 20233. The check should be made payable to Census/Commerce:

Exhibit 1 — Fees for Preparation of Cost Estimate for Special Censuses

Type of area	Fee
Cities, towns, incorporated places with estimated populations less than 50,000.....	\$35
Counties, county equivalents, school districts, etc.	\$60
Any areas with an estimated population of 50,000 or greater	\$75

Exhibit 2 — Special Census of Any Town, U.S.A., As of May 1, 1982

	Total population	PERSONS							HOUSING UNITS	
		RACE					Spanish origin	In group quarters	Occupied	Vacant
		White	Black	Am. Indian, Eskimo, and Aleut	Asian, Pacific Islander	Other				
Area	XX	X	X	X	X	X	X	X	X	X
Political subdivisions	XX	X	X	X	X	X	X	X	X	X

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