

**TAYLORSVILLE CITY COUNCIL
AGENDA ITEM SUMMARY**

MEETING DATE: August 8, 2012

AGENDA ITEM: Discussion Regarding the Truth in Taxation Process

PRESENTER: John Inch Morgan, City Administrator

Office of the City Administrator

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To: Mayor Russ Wall, City Council Members
From: John Inch Morgan, City Administrator/
City Treasurer
CC: Scott Harrington, Chief Financial Officer, John N.
Brems, City Attorney, Cheryl P. Cottle, City
Recorder
Date: 30 July 2012
Re: Truth in Taxation

Memo

What is "Truth in Taxation"?

The Utah State Legislature has established a process known as "Truth in Taxation" that require city and county governments and school districts to hold public hearings and an affirmative vote of its legislative body to increase the property taxes within their respective taxing districts. Utah law requires that property tax rates automatically adjust when property values increase or decrease so the amount of money the government receives is the same from year to year. The laws are designed to hold property owner's tax burden at a constant level from year to year unless the taxing entity's legislative body votes to increase that burden and follow the Truth in Taxation process.

The Truth in Taxation process requires the governing body to hold a well publicized hearing for the purpose of allowing taxpayers and citizens of the city to publically voice their support or opposition for the proposed property tax increase before the legislative body votes to implement such an increase.

The Truth in Taxation laws are intended to limit an entity's property tax revenues to the amount collected in the previous year unless the city goes through the Truth in Taxation process. The objective of this process is to prevent increases in property values from automatically increasing the property tax burden on property owners and providing "windfall" revenue to the city.

Truth in Taxation Process

Each city that levies a property tax is assigned a rate (Certified Tax Rate) that is applied to the assessed valuation of all taxable property within the city's boundaries. This rate is adjusted each year to provide a property tax revenue yield that is the same tax dollar amount that the City received the previous year plus taxes generated from the Certified Tax Rate assessment on new and improved properties. The City's Certified Tax Rate for 2012, due to reassessment is 0.001923, up from the 2011 Certified Tax Rate of 0.001794.

Taxing entities that operate on a fiscal year must notify the County Auditor by the 22nd of June if the governing body intends to go through the Truth in Taxation process and increase its property tax yield. The Truth in Taxation process will consider increasing our Certified Tax Rate by 15 percent to 0.002202

The entity must place two (2) advertisements in a newspaper of general circulation notifying the public of the Truth in Taxation public hearing, which must be held in August.

- The first advertisement must run two (2) weeks preceding the hearing date. The second advertisement must run within seven (7) days of the hearing date.
- The city must also advertise the public hearing on a collective effort website of Utah's newspapers (www.utahlegals.com) and on the Utah Public Notice Website (www.utah.gov/Pmm/index.html).

Newspaper Advertisement Specifics

- The advertisement shall be published in:
 - A newspaper or combination of newspapers of general circulation in the taxing entity.
 - Electronically in accordance with Section 41-1-101: on a website established by the collective efforts of Utah Newspapers (www.utahlegals.com), and
 - On the Utah Public Notice Website created in Section 63F-1-701 (www.utah.gov/pmn/index.html).
- The advertisement shall be no less than ¼ page in size.
- The type used shall be no less than 18 point.
- A ¼ inch border shall surround the advertisement.
- The advertisement may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.
- It is the legislative intent, whenever, possible, the advertisement should appear in the newspaper that is published at least one day per week.
- The newspaper or combination of newspapers selected shall be of general interest and readership in the taxing entity, and not of limited subject matter.
- The advertisement shall run once each week or two weeks preceding the first hearing included in the list compiled.
- The advertisement shall state that the taxing entity will meet on a certain day, time, and place fixed in the advertisement. The exact wording for the advertisement can be found in section 59-2-919 of the Utah Code.
- The first scheduled hearing shall not be held less than seven days after the day the first advertisement is published.
- The scheduled hearing shall not be held less than two days after the mailing of the “Notice of Property Valuation and Tax change: by the county auditor.
- The scheduled meeting on the proposed increase may coincide with the hearing on the proposed budget.
- The scheduled meeting shall begin at or after 6 p.m.

Following the Public Hearing, the legislative body votes on the proposed increase of property tax revenue and the resulting adjustment to the Certified Tax Rate. The City Administration must then notify the County Auditor and the County Treasurer of the decisions the legislative body’s decision.

Jessica's duties between end of August and December, with coverage suggestions

Best of Taylorsville	Maria
Volunteer Applications/Information	Robin
Agendas	Kris w/Cheryl as a backup
Agenda Meeting	Kris w/Cheryl as a backup
Packets	Kris w/Cheryl as a backup
Events	Kris/Maria/Aimee
Council Meetings	Kris/Cheryl
Youth Council	Maria Magallanes doing an internship working with Robin as HR for supervision
Youth Ambassadors	Maria Magallanes doing an internship working with Robin as HR for supervision