

Office of the City Administrator

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To: Mayor Jerry Rechtenbach, City Council Members
From: John Inch Morgan, City Administrator
CC: Scott Harrington, Chief Financial Officer,
John N. Brems City Attorney
Cheryl P. Cottle, City Recorder
Date: 30 July 2013
Re: Truth in Taxation Hearing

Memo

This memorandum outlines the Utah State Truth in Taxation process and provides an outline for the Truth in Taxation Hearing scheduled for 06 August 2013 in the City of Taylorsville City Council Chambers.

What is "Truth in Taxation"?

Truth in Taxation is a process established by the Utah State Legislature where city and county governments, and school districts are required to hold a public hearing 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. In periods of inflation, a government agency will receive more money from property taxes because a given property's values increase. 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 the tax through a process of notification and public hearing.

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.

Taxing entities that operate on a fiscal year just 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 the City of Taylorsville's Certified Tax Rate to 0.002722.

The Truth in Taxation process will include the City of Taylorsville placing 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 newspaper and on the Utah Public Notice Website.

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, the County Treasurer and the Utah State Tax Commission of the decisions of the legislative body.

Newspaper Advertisement Specifications

- 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/Pmm/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.

NOTICE OF PROPOSED TAX INCREASE
City of Taylorsville

The City of Taylorsville is proposing to increase its property tax revenue.

- The City of Taylorsville tax on a \$179,016 residence would increase from \$207.16 to \$268.00, which is \$60.84 per year.
- The City of Taylorsville tax on a \$179,016 business would increase from \$376.65 to \$487.28 which is \$110.63 per year.
- If the proposed budget is approved, City of Taylorsville would increase its property tax budgeted revenue by 29.31% above last year's property tax budgeted revenue excluding new growth.

City of Taylorsville property tax revenue from new growth and other sources will increase from \$4,850,748 to \$6,286,492.

All concerned citizens are invited to a public hearing on the tax increase.

PUBLIC HEARING

Date/Time: 8/7/2013 6:00 P.M.

Location: City of Taylorsville Council Chambers
2600 W Taylorsville Blvd
Taylorsville

To obtain more information regarding the tax increase, citizens may contact City of Taylorsville at 801-963-5400.