

RESOLUTION NO. [REDACTED] OF 2024

(Authorizing the Metropolitan Water District of Salt Lake and Sandy (MWDSL) to Increase its Property Tax for FY 2025)

WHEREAS, the Metropolitan Water District of Salt Lake and Sandy (“District”) was established in 1935 with a primary function to create a firm water supply for its member cities. Salt Lake City is the founding member and Sandy City joined the District in 1990; and

WHEREAS, due to inflation and commitments, the District cannot meet its budgeting needs and asks approval from Salt Lake City and Sandy City to levy a property tax increase for fiscal year 2025 (“FY 2025”). A special district board of trustees may approve a property tax increase only after the conditions of Utah Code Section 17B-1-1003 have been satisfied or considered satisfied for each member of the board of trustees; and

WHEREAS, due to a unique provision in the Metropolitan Water District Act, the District requires that both the city councils of Salt Lake City and Sandy City approve the tax increase by motion. The tax levy must be uniform as to all property taxed by the District; and

WHEREAS, Utah Code Section 10-6-133(1) requires that, at a regularly scheduled meeting, the City Council set a proposed property tax rate before June 22 of each year, or September 1 in the case of a property tax rate increase under Sections 59-2-919 through 59-2-923, the governing body of each city at a regular meeting or special meeting called for that purpose, shall by ordinance or resolution set the real and personal property tax levy for various municipal purposes; and

WHEREAS, after due consideration, the City Council of Salt Lake City has determined this action to be in the best interest of the City and its residents.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, as follows:

1. Public meetings to consider the increase in the District’s proposed tax rate were held on May 7, 2024 and May 21, 2024 during which public comment was invited and allowed.
2. Given serious inflation, the serious draw-down of reserves, and commitments, including bond commitments, the District has to increase taxes above the certified rate, or increase charges for water, or some combination of the two for FY 2025.
3. Based upon information provided by District staff, a property tax increase is the preferred method to increase revenue although it is distributed differently across customers compared to a rate increase. The District has provided information that indicates property tax as a revenue source is likely to help secure better debt offerings and save customers money in the longer term, given the extensive infrastructure needs.
4. The District has not had a tax increase in years. District Board approval of a tax increase requires approval of the member city councils at open council meetings.
5. The City Council hereby approves the District’s proposed property tax rate of 0.00035.

Passed by the City Council of Salt Lake City, Utah, on _____, 2024.

SALT LAKE CITY COUNCIL

By: _____

CHAIRPERSON

ATTEST:

CITY RECORDER

APPROVED AS TO FORM:
Salt Lake City Attorney's Office
By: Mark Kittrell
Mark Kittrell, Deputy City Attorney