



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Austin Kimmel
Public Policy Analyst

DATE: October 15, 2024

RE: MOSQUITO ABATEMENT DISTRICT PROPERTY TAX REPORT
Proposed Tax Increase in 2025

Item Schedule:

Briefing: October 15, 2024

Public Hearing: October 15, 2024

Potential Action: n/a

ISSUE AT-A-GLANCE

Salt Lake City Mosquito Abatement District (SLCMAD) is reporting on its plan to increase property taxes for Salt Lake City residents, intended to take effect in 2025. SLCMAD states that the tax increase is necessary due to inflationary increases on supplies and mosquito abatement services, to fund the construction of new infrastructure and facilities (Phase II), the acquisition of a helicopter for in-house aerial treatment applications, and day-to-day operational expenses.

The increase would generate \$1,370,667 in additional revenue for the District and is needed because the annual “new growth” revenue has not kept pace with inflation. Although the percentage increase to the certified tax rate is high, 19.7%, the impact to an average valued-residential property is \$0.83 cents per month or \$9.95 per year. For businesses, the impact for each \$1 million in value is \$2.42 per month or \$29.00 per year.

	Current	Proposed			
	2024	2025	Difference		
Certified Tax Rate:	0.000147	0.000176	0.000029	19.7%	
Total Tax Revenue	7,029,062	8,399,729	1,370,667	19.5%	
Increase to Property Owners - ANNUAL					
Residential Property - Average Value of \$623,900	\$ 50.44	\$ 60.39	\$ 9.95	19.7%	Note: monthly increase is \$0.83
Commercial Property - Average Value of \$1m	\$ 147.00	\$ 176.00	\$ 29.00	19.7%	Note: monthly increase is \$2.42

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451 SOUTH STATE STREET, ROOM 304
P.O. BOX 145476, SALT LAKE CITY, UTAH 84114-5476

SLCCOUNCIL.COM

TEL 801-535-7600 FAX 801-535-7651



The 2025 proposed budget that the District submitted is anticipating a relatively flat budget through the coming fiscal year (calendar year 2025), because any property tax revenue from the increase would affect their 2026 fiscal year.

A few options for smaller increases to the certified tax rate were considered, but after additional review, the Board supported the current proposal a larger increase. The proposed budget would also and recognize interest income benefits from investing the money as well.

The Salt Lake City Council serves as the appointing Legislative body, which appoints members to the SLCMAD Board. According to State Code, information is shared with the Council as the elected officials, but the Council's roles is not to make final policy or budget decisions for the District. Those decisions, along with its operations, are made by SLCMAD Board of Trustees and staff.

Goal of the briefing: to fulfill requirements set forth by state law, which mandate that the Salt Lake City Mosquito Abatement District inform the City Council of its intention to pursue a tax increase. State Code also requires that the Council take an opportunity for public comment before proceeding with a public hearing and vote by the District Board of Trustees.

POLICY QUESTIONS

1. Although the District has the authority to propose and execute property taxes, the Council may raise some questions about timing. Several other tax increases are on the horizon from other taxing entities (County, School, sales tax, etc.), and the Council has considered the impact of all these on property owners.
2. The Council may ask about changes the District is making to operations, how the helicopter and other purchases may affect their budget, including any efficiencies or cost-savings that could be realized.
3. The Council may ask for an update on construction plans, Phase II.
4. The Council could ask the District to expand on how it intends to notify Salt Lake City residents of its proposed tax rate increase and opportunities for input.

ADDITIONAL AND BACKGROUND INFORMATION

The proposed 2025 tax increase would provide SLCMAD with additional revenue to increase the efficiency and effectiveness of mosquito control efforts in Salt Lake City while keeping up with inflation. SLCMAD states that it has experienced cost challenges due to inflation and double-digit increases in the consumer price index (CPI) at a rate of 19.4%. While the city has experienced new growth, SLCMAD states that new growth has only captured a 6.63% increase in revenues over the last three years.

In addition to the challenges faced by rising costs, SLCMAD plans to boost its capabilities by expanding its facilities and developing a new in-house aerial operation program. The expanded facilities would allow the District to increase its surveillance and control programs, provide laboratory and field research capabilities, and house its future aerial operations.

SLCMAD currently relies on contracted aerial services based out of Ogden Airport, which uses fixed-wing aircraft for mosquito control operations. However, the District plans to transition to an in-house aerial program by purchasing a helicopter and increasing unmanned aerial systems. SLCMAD expects this will provide the District with greater control over treatment applications compared to that of fixed-wing aircraft, leading to more targeted and effective mosquito control efforts which will reduce adult mosquito control applications.

The Salt Lake City Mosquito Abatement District (SLCMAD) is a Special Service District with its own mission, bylaws, taxing status, and governing authority. Its board members are appointed by the City Council, and as a non-elected Board, the Salt Lake City Council serves as its legislative body. The SLCMAD Board of Trustees is responsible for overseeing the District's budget, mission, and daily mosquito abatement activities related to public health and nuisance hazards. It may also take all necessary and proper steps to exterminate of mosquitoes, flies, crickets, grasshoppers, and other insects and to abate as nuisances all stagnant pools of water or other breeding places.