

1.

FYI – Project Timeline: (subject to change per Chair direction or Council discussion)

Briefing -

Set Public Hearing Date -

Hold hearing to accept public comment -

TENTATIVE Council Action -

Staff Recommendation -



MOTION SHEET

CITY COUNCIL of SALT LAKE CITY

tinyurl.com/SLCFY25

TO: City Council Members

FROM: Jennifer Bruno and Ben Luedtke

DATE: August 13, 2024

RE: Truth In Taxation Public Hearing and Final FY2025 Budget Adoption

MOTION 1 (close the public hearing and adopt the final tax rate and budget)

I move that the Council close the public hearing and adopt an ordinance establishing the final rate of tax levy, including the final levy for the Library Fund, upon all real and personal property within Salt Lake City, made taxable by law for fiscal year 2024-2025, and ratify the budget as adopted by the Council in June.

MOTION 2 (close the public hearing and reconsider FY2025 budget)

I move that the Council close the public hearing and reconsider the FY2025 Budget and adopt a motion establishing different rates.

Staff Note: If the Council wants to reduce the final tax rate for the Fiscal Year 2025 budget, then expense cuts and/or efficiency savings corresponding to revenue decreases would need to be identified. This is required by state law because cities must pass a balanced budget each fiscal year.





COUNCIL BUDGET STAFF REPORT

CITY COUNCIL of SALT LAKE CITY
tinyurl.com/SLCFY25

TO: City Council Members

FROM: Jennifer Bruno, Ben Luedtke

DATE: August 13, 2024

RE: Truth In Taxation Public Hearing and Final FY 2025 Budget Adoption

Project Timeline:

Public Hearing: August 13, 2024

Potential Action: August 13, 2024

ISSUE AT A GLANCE

The property tax system in Utah is governed by a set of laws commonly referred to as “Truth in Taxation.” If the Council sets a budget in June that causes the City or Library to receive more property tax revenues than the previous fiscal year, that triggers the need for a public hearing referred to as a “Truth-in-taxation hearing,” along with various public notice requirements. For the FY2025 budget, the Council did not adopt an ongoing tax increase for the City. The FY2025 budget for the Library includes a \$5.3 million ongoing property tax increase. The Council did adopt a judgement levy for the City. A judgment levy is a mechanism authorized by state law that allows the City to recoup property taxes that it was not paid in the previous year due to properties that were judged to be of a lesser value through a County Board of Equalization appeals process. This is a one-time, one-year property tax increase, which means it will only reflect on property tax bills received in 2024. According to state law, even though this is a one-time increase, it does trigger the need for a truth in taxation hearing. This year, the Library budget does not include a judgment levy.

ACTION OPTIONS

At the conclusion of the hearing, the Council has the option of adopting the rates for both the City and Library as proposed. It could also elect to adopt a rate less, but not greater than the rate proposed and advertised. If the Council adopts a rate less than the rate proposed, the Council would need to re-balance the City and/or Library Fund budget, as it would create a situation where expenditures exceed revenues. State law requires cities to adopt balanced annual budgets. Refer to the attached motion sheet for the corresponding motions.



SALT LAKE CITY ORDINANCE
No. ____ of 2024

(Adopting the final rate of tax levy, including the final levy for the
Library Fund, upon all real and personal property within
Salt Lake City, made taxable by law for fiscal year 2024-2025)

An ordinance adopting the final rate of tax levy, including the final levy for the Library
Fund, upon all real and personal property within Salt Lake City made taxable by law for fiscal
year 2024-2025.

Be it ordained by the City Council of Salt Lake City:

PREAMBLE

Chapter 2, Title 59 of the Utah Code states that the governing body of each city shall, by
ordinance or resolution, adopt a proposed tax levy or, if the tax rate is not more than the certified
tax rate, a final tax levy on the real and personal property for various municipal purposes.

Chapter 2, Title 59, of the Utah Code provides for certain notice and hearing requirements if the
proposed tax rate exceeds the certified tax rate. In that event, the proposed tax rate does not
become final unless approved by resolution of the City Council following such notice and public
hearing. It is the intent of Salt Lake City to comply with the mandate of the Utah Legislature,
but reserve in itself the power to amend the tax rates set herein to guarantee, after final appraisal
figures have been determined, that it does not exceed the amount required for its governmental
operations and taxing authority granted by the Legislature.

It is the intent of Salt Lake City to adopt a total final tax rate for the general fund and to
also adopt a final tax rate for the Library. The City acknowledges this action requires a truth in
taxation hearing.

Further, it is the intent of the City to levy an additional tax, if necessary, to cover costs of State legislative mandates or judicial or administrative orders under Chapter 2, Title 59 of the Utah Code.

The City held a truth in taxation public hearing in accordance with Utah law on August 13, 2024.

SECTION 1. PURPOSE. The purpose of this ordinance is to adopt a final tax levy, which includes the amount of the final library fund tax levy previously adopted, pursuant to Chapter 2, Title 59 of the Utah Code, upon all real and personal property within Salt Lake City made taxable by law during fiscal year 2024-2025 to defray the necessary and proper expenses of Salt Lake City to maintain the government thereof and for operating and maintaining its libraries and reading rooms and to pay for costs of State legislative mandates or judicial or administrative orders under Chapter 2, Title 59 of the Utah Code.

SECTION 2. FINAL TAX LEVY: 2024-2025. The City Council hereby adopts the following final levy, subject to Chapter 2, Title 59 of the Utah Code, upon all real and personal property within Salt Lake City made taxable by law, for the fiscal year of Salt Lake City beginning July 1, 2024, and ending June 30, 2025, a tax of 0.003401 on each dollar of taxable valuation of said property apportioned as follows:

- a) 0.002299 shall be credited as revenue in the general fund, generating \$104,523,194 of ongoing revenue; and
- b) 0.000003 shall be credited to the judgment levy for the general fund, a one-year adjustment generating \$116,407 of one-time revenue; and
- c) 0.000646 shall be credited as revenue in the special library fund, generating \$30,956,106 of on-going revenue; and

- d) 0.000365 shall be credited toward repayment of General Obligation Bonds, generating \$16,596,203 of on-going revenue; and
- e) 0.000088 shall be credited as revenue in the Governmental Immunity fund for tort liability, generating \$4,000,896 of ongoing revenue.

The City Council hereby further levies a tax to cover the costs of State legislative mandates or judicial or administrative orders under Chapter 2, Title 59 of the Utah Code as determined by the Utah State Tax Commission and the Salt Lake County Auditor's Office.

Said tax levies in this Section 2 shall be subject to Mayor approval and City Council reconsideration pursuant to § 10-3b-204 of the Utah Code.

SECTION 3. CERTIFIED TO AUDITOR. The tax levies hereinabove determined and levied shall be certified by the City Recorder to the Auditor of Salt Lake County, State of Utah, pursuant to the provisions of Chapter 2, Title 59 of the Utah Code.

SECTION 4. RESERVED POWER AND RIGHT TO AMEND. The City hereby expressly reserves the power and right to amend any property tax levy made herein as it may deem just, proper and appropriate under the law.

SECTION 5. EFFECTIVE DATE. This Ordinance shall become effective on July 1, 2024.

Passed by the City Council of Salt Lake City, Utah, this ____ day of _____, 2024.

CHAIRPERSON

ATTEST:

CITY RECORDER

Transmitted to the Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

ATTEST:

CITY RECORDER

(SEAL)

Bill No. _____ of 2024.

Published: _____.

Salt Lake City Attorney's Office
Approved As To Form

Date: 7/31/2024

By: Jaysen Oldroyd
Jaysen Oldroyd, Senior City Attorney