
**SALT LAKE CITY COUNCIL
COUNCIL FINAL BUDGET ADOPTION
FISCAL YEAR 2005-06**

DATE: August 4, 2006
SUBJECT: **Truth-in-Taxation Hearing**
STAFF REPORT BY: Gary Mumford
cc: Cindy Gust-Jenson, Rocky Fluhart, Ed Rutan, Lynn Pace, Steve Fawcett, Susi Kontgis, Kay Christensen

In June 2006 when the Council adopted the fiscal year 2006-07 budget, the Council approved a levy to pay for court judgments or tax commission ordered refunds of prior-years' taxes of certain property taxpayers. The Council approved a judgment levy for the Library Fund and a judgment levy toward the repayment of general obligation bonds. Although the City's general fund must also refund property taxes relating to the judgments, the City will fund these refunds from fund balance or other resources. Because State Law requires a Truth-in-Taxation public hearing to be held if a judgment levy is to be assessed, the Council has advertised and set a date for August 8, 2005 for the required hearing. State law requires the budget to be ratified following adoption of a judgment levy.

The Attorney's Office has prepared three ordinances for consideration after the close of the Truth-in-Taxation hearing. The three ordinances adopt and ratify the decisions of the Council at the June 15, 2006 Council meeting:

- Adopt the final rate of tax levy.
- Ratify and re-adopt a final budget for the City.
- Ratify and re-adopt a final budget for the Library Fund.

Following the public hearing, the Council may wish to make the following motions to complete the adoption of budget related items for fiscal year 2006-07.

- ["I move that the Council"] **Adopt the final rate of tax levy upon all real and personal property within Salt Lake City made taxable by law for fiscal year 2006-2007.**
- ["I move that the Council"] **Ratify and re-adopt a final budget, excluding the budget for the Library Fund which is separately adopted, and the employment staffing document of Salt Lake City for fiscal year 2006-2007.**
- ["I move that the Council"] **Ratify and re-adopt a final budget for the Library fund of Salt Lake City for fiscal year 2006-2007.**

According to the Salt Lake County Auditor's Office, the average taxable value of a residence in Salt Lake City is \$227,384. As a result of the proposed judgment levy, the tax on a \$227,384 residence will increase by \$3.88 for the year. The tax on a \$1,000,000 business will increase by \$31.00 for the year. A judgment levy is an additional levy for only one year.

With the judgment levy, the total projected property tax revenue of \$68,370,764 (including the Library) for fiscal year 2006-07 is expected to be greater than budgeted property tax revenue for fiscal year 2005-06 by \$1,038,062, which is an increase of 1.54%. This increase is primarily because of growth determined by the County Auditor's Office within the certified tax rate. There is always going to be some variation between actual and budgeted revenue based on the delinquency rate, board letter adjustments, tax commission relief, or court ordered judgments.

SALT LAKE CITY ORDINANCE

No. ____ of 2006

(Adopting the final rate of tax levy upon all
real and personal property within Salt Lake City,
made taxable by law for fiscal year 2006-2007)

AN ORDINANCE ADOPTING THE FINAL RATE OF TAX LEVY UPON ALL
REAL AND PERSONAL PROPERTY WITHIN SALT LAKE CITY MADE TAXABLE
BY LAW FOR FISCAL YEAR 2006-2007.

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

PREAMBLE

Chapter 2, Title 59 of the Utah Code Ann. 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 Ann. provides for certain notice and hearing requirements if the proposed tax rate exceeds the certified tax rate. 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. 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 Ann.

On June 16, 2006, the City adopted Ordinance No. 43 of 2006, by which it adopted the rate of tax levy for fiscal year 2006-2007.

On August 8, 2006, the City held a public hearing on the proposed rate of tax levy, as required by law. The City now wishes to adopt a final rate of tax levy for fiscal year 2006-2007.

SECTION 1. PURPOSE. The purpose of this ordinance is to adopt a final tax levy upon all real and personal property within Salt Lake City made taxable by law in the year 2006 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 Ann.

SECTION 2. TAX LEVY: 2006-2007. The City Council hereby levies upon all real and personal property within Salt Lake City made taxable by law in the year 2006, for the fiscal year of Salt Lake City ending June 30, 2007, a tax of .004720 on each dollar of taxable valuation of said property apportioned as follows:

- (a) .003390 shall be credited as revenue in the general fund;
- (b) .000762 shall be credited as revenue in the special library fund;
- (c) .000018 shall be credited as revenue in the special library fund to be used for repayment of court ordered judgments;
- (d) .000537 shall be credited toward repayment of General Obligation Bonds.
- (e) .000013 shall be credited toward repayment of General Obligation Bonds to be used for repayment of court ordered judgments.

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

Ann. 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 § 10-3-1214 of the Utah Code Ann.

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 Ann.

SECTION 4. RESERVE 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 take effect upon publication.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2006.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to the Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

ATTEST:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 8-4-06
By [Signature]

(SEAL)

Bill No. _____ of 2006.
Published: _____.

SALT LAKE CITY ORDINANCE

No. ____ of 2006

(Ratifying and Re-Adopting a final budget, excluding the budget for the Library Fund which is separately adopted, and the employment staffing document of Salt Lake City, Utah for fiscal year 2006-2007)

AN ORDINANCE RATIFYING AND RE-ADOPTING A FINAL BUDGET, EXCLUDING THE BUDGET FOR THE LIBRARY FUND WHICH IS SEPARATELY ADOPTED, AND THE EMPLOYMENT STAFFING DOCUMENT OF SALT LAKE CITY FOR FISCAL YEAR 2006-2007.

PREAMBLE

Pursuant to the provisions of Section 10-6-111 of the Utah Code Annotated, the City Budget Officer prepared and filed with the City Council a tentative budget in proper form for all funds for which budgets are required by said law, including budgets for the general fund, the library fund, special revenue funds, debt service funds and the capital improvements funds for fiscal year 2006-2007. The tentative budget was accompanied by a budget message as required by law.

That tentative budget was adopted by the City Council, in Resolution No. 28 of 2006, on May 2, 2005.

Section 10-6-118 of the Utah Code Annotated requires that before the 22nd day of June of each fiscal year or, August 17, in case of a property tax increase under Sections 59-2-919 through 59-2-923 of the Utah Code Annotated, the governing body shall, by resolution or ordinance, adopt a budget for the ensuing fiscal year for each fund for which a budget is required.

On June 16, 2006, the City adopted Ordinance No. 32 of 2006, by which it adopted a final budget, excluding the Library budget, for the City.

On August 8, 2006, the City held a public hearing on the proposed final budget as required by law. The City now wishes to ratify and re-adopt a final budget excluding the budget for the Library which is separately amended and adopted for fiscal year 2006-2007.

The City budget officer has now prepared a final budget, in proper form, for all funds for which budgets are required by law.

Section 2.52.020 of the Salt Lake City Code states in part that employment staffing documents shall be adopted as an element of the City's budget, or otherwise, as the City Council may require. Three copies of such documents have been filed for use and examination of the public in the Office of the City Recorder.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City:

SECTION 1. PURPOSE. The purpose of this ordinance is to ratify and re-adopt a final budget, except the budget for the Library Fund which is separately adopted, for fiscal year 2006-2007, and to adopt the employment staffing documents. All conditions precedent to the adoption of the final budget, which includes the employment staffing documents, have been accomplished.

SECTION 2. RATIFICATION AND RE-ADOPTION OF FINAL BUDGET.

The budget attached hereto and made a part of this Ordinance, shall be, and the same hereby is ratified and re-adopted as the final budget of the City, excluding the budget for the Library Fund which is separately adopted, for the fiscal year beginning July 1, 2006 and ending June 30, 2007, in accordance with the requirements of Sections 10-6-105, 10-

6-118 and 59-2-923 of the Utah Code Annotated. The final budget is subject to the approval of the Mayor and reconsideration of the City Council pursuant to Section 10-3-1214 of the Utah Code Annotated.

SECTION 3. EMPLOYMENT STAFFING. The employment staffing documents, three copies of which are filed for use and examination in the Office of the City Recorder, are hereby adopted as an element of the budget, pursuant to Section 2.52.020 of the Salt Lake City Code.

SECTION 4. FILING OF FINAL BUDGET. The City Budget Officer is hereby authorized and directed to certify and file copies of said final budget with the State Auditor as required by Section 10-6-118 of the Utah Code Annotated.

SECTION 5. PUBLIC INSPECTION. The City Budget Officer is hereby authorized and directed to certify and file copies of said final budget in the office of said Budget Officer and in the Office of the City Recorder, which budget shall be available for public inspection during regular business hours as required by Section 10-6-119 of the Utah Code Annotated.

SECTION 6. EFFECTIVE DATE. This Ordinance shall take effect upon publication.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2006.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to the Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

ATTEST:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 8-4-06
By [Signature]

(SEAL)

Bill No. _____ of 2006.

Published: _____.

SALT LAKE CITY ORDINANCE
No. ____ of 2006
(Ratifying and Re-Adopting a final budget for the Library Fund
of Salt Lake City, Utah for fiscal year 2006-2007)

AN ORDINANCE RATIFYING AND RE-ADOPTING A FINAL BUDGET
FOR THE LIBRARY FUND OF SALT LAKE CITY, UTAH FOR FISCAL YEAR
2006-2007.

PREAMBLE

Pursuant to the provisions of Section 10-6-111 of the Utah Code Annotated, the City Budget Officer prepared and filed with the City Council a tentative budget in proper form for all funds for which budgets are required by said law, including the budget for the Library Fund, for fiscal year 2006-2007. The tentative budget was accompanied by a budget message as required by law.

The tentative budget, including the budget for the Library Fund, was adopted by the City Council in Resolution No. 28 of 2006, on May 2, 2006.

Section 10-6-118 of the Utah Code Annotated requires that before the 22nd day of June of each fiscal year or, August 17, in case of a property tax increase under Sections 59-2-919 through 59-2-923 of the Utah Code Annotated, the governing body shall, by resolution or ordinance, adopt a budget for the ensuing fiscal year for each fund for which a budget is required.

On June 16, 2006, the City adopted Ordinance No. 31 of 2006, by which the City adopted a final budget for the Library fund.

On August 8, 2006, the City held a public hearing on the proposed library budget as required by law. The City now wishes to ratify and re-adopt a final budget for the Library fund for fiscal year 2006-2007.

The City budget officer, based upon input received from the City Council, has now prepared a final budget for the Library Fund, in proper form.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City:

SECTION 1. PURPOSE. The purpose of this ordinance is to ratify and re-adopt a final budget for the Library Fund, for fiscal year 2006-2007. All conditions precedent to the adoption of the final budget for the Library Fund have been accomplished.

SECTION 2. RATIFICATION AND RE-ADOPTION OF FINAL BUDGET.
The budget attached hereto and made a part of this Ordinance, shall be, and the same hereby is ratified and re-adopted as the final budget for the Library Fund of the City for the fiscal year beginning July 1, 2006 and ending June 30, 2007, in accordance with the requirements of Sections 10-6-105, 10-6-118 and 59-2-923 of the Utah Code Annotated. The final budget for the Library Fund is subject to the approval of the Mayor and reconsideration of the City Council pursuant to Section 10-3-1214 of the Utah Code Annotated.

SECTION 3. FILING OF FINAL BUDGET. The City Budget Officer is hereby authorized and directed to certify and file copies of said final budget with the State Auditor as required by Section 10-6-118 of the Utah Code Annotated.

SECTION 4. PUBLIC INSPECTION. The City Budget Officer is hereby authorized and directed to certify and file copies of said final budget in the office of said Budget Officer and in the Office of the City Recorder, which budget shall be available for

public inspection during regular business hours as required by Section 10-6-119 of the Utah Code Annotated.

SECTION 5. EFFECTIVE DATE. This Ordinance shall take effect upon publication.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2006.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to the Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

ATTEST:

CHIEF DEPUTY CITY RECORDER

(SEAL)

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 8-4-06
By [Signature]

Bill No. _____ of 2006.
Published: _____.