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# M E M O R A N D U M

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**DATE:** August 12, 2009  
**TO:** City Council Members  
**FROM:** Jennifer Bruno, Budget & Policy Analyst  
**RE:** Truth-in-taxation

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In June of 2008, the Council adopted a budget, with a property tax rate that is higher than the certified tax rate authorized by the County. The budget for FY 2009 is balanced assuming the revenue that will come to the City from this higher rate. As a result, the Council scheduled a "Truth-in-Taxation" hearing, which will be held Tuesday, August 12 at 7pm.

The following are options for the conclusion of this hearing:

**Option #1** - Adopt the higher rate as proposed in the attached ordinance, and ratify the budget that was adopted in June of 2008. Four Motions are required for this action:

**Motions:**

1. ["I move that the Council"] Adopt 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 2008-09, with the following rates:
  - a. .002869 for the general fund
  - b. .000618 for the library fund
  - c. .000430 for the repayment of General Obligation BondsFor a total tax rate of .003917
  
2. ["I move that the Council"] Adopt an ordinance ratifying and adopting the final City budget, excluding the budget for the Library Fund which is separately adopted, and the employment staffing document of Salt Lake City for Fiscal Year 2008-09, with the exception of the budget and staffing document relating to the Stormwater Fund:  
**<Council Member Christensen may recuse himself>**
3. ["I move that the Council"] Adopt an ordinance ratifying and adopting the final budget and staffing document relating to the Stormwater Fund.  
**<Council Member Christensen may return>**
4. ["I move that the Council"] Adopt an ordinance adopting the final budget for the Library Fund of Salt Lake City for Fiscal Year 2008-09.

**Option #2** - Elect not to adopt an increase in the certified rate, and re-balance the budget by reducing expenses by \$2,114,609 (*it should be noted that some FY 2009 expenses have already been incurred*).

Note: The Council cannot consider adopting a rate above what was noticed in the paper (the total tax rate of .003917), due to noticing requirements governed by state law.

## BACKGROUND/TRUTH IN TAXATION PROCESS:

1. The entire process for increasing property tax rates is governed by State Code (59.2.919), and is referred to as "Truth in Taxation."
2. After the Council adopts the budget, if it includes a tax increase - The City will prepare a notice (wording in the notice is defined by state law), in conjunction with and approved by the State Tax Commission, which will state the current average value of a home in Salt Lake City (determined by the County Assessor's office), what the proposed rate increase would mean in terms of yearly dollar amount on that average home, and what the property tax dollar amount would be on that average home without the rate increase. The notice is very detailed and the wording is set by state law.
3. The notice will then be published over the months between budget adoption in June, and the Truth in Taxation hearing, which is required by law to be in August. State law dictates that the notice cannot be in the classified or legal section, that it must be no less than ¼ page in size, and that the advertisement must appear at least one day per week.
4. The Council will hold the public hearing on August 12, 2008. At the conclusion of the hearing, the Council can move to adopt the new tax rate, and ratify the previously adopted budget.
5. If the Council chooses to not adopt the new tax rate at that time, the budget will need to be re-balanced. *Note: This is difficult timing to re-balance the budget, as Fiscal Year 2009 is already under way (new FTEs are being hired and money has been spent, etc).*

SALT LAKE CITY ORDINANCE

No. \_\_\_\_ of 2008

(Adopting the final rate of tax levy upon all  
real and personal property within Salt Lake City,  
made taxable by law for fiscal year 2008-2009)

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 2008-2009.

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. 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. 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 17, 2008 the City Council adopted ordinance No. 32 of 2008, by which it adopted a proposed rate of tax levy for fiscal year 2008-2009. On August 12, 2008, the City Council held a public hearing on the proposed rate of tax levy, as required by law. The City Council now wishes to adopt a final rate of tax levy for fiscal year 008-2009.

SECTION 1. PURPOSE. The purpose of this ordinance is to adopt a final tax levy, subject to Chapter 2, Title 59 of the Utah Code Annotated, upon all real and personal property within Salt Lake City made taxable by law during fiscal year 2008-2009 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: 2008-2009. The City Council hereby adopts the following levy, subject to Chapter 2 Title 59 of the Utah Code Annotated, 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, 2008 and ending June 30, 2009, a tax of .003917 on each dollar of taxable valuation of said property apportioned as follows:

- (a) .002869 shall be credited as revenue in the general fund;
- (b) .000618 shall be credited as revenue in the special library fund; and
- (c) .000430 shall be credited toward repayment of General Obligation Bonds.

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 § 10-3b-204 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 become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah, this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
CHAIRPERSON

ATTEST:

\_\_\_\_\_  
CHIEF DEPUTY CITY RECORDER

Transmitted to the Mayor on \_\_\_\_\_.

Mayor's Action: \_\_\_\_\_ Approved. \_\_\_\_\_ Vetoed.

APPROVED AS TO FORM  
Salt Lake City Attorney's Office  
Date 8-7-08  
By [Signature]

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CHIEF DEPUTY CITY RECORDER

(SEAL)

Bill No. \_\_\_\_\_ of 2008.

Published: \_\_\_\_\_.

HB\_ATT#5184-v1-Adopting\_the\_final\_rate\_of\_tax\_levy\_FY\_08-09.DOC

SALT LAKE CITY ORDINANCE

No. \_\_\_\_ of 2008

(Adopting the final City 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 2008-2009)

AN ORDINANCE ADOPTING THE FINAL CITY BUDGET, EXCLUDING THE BUDGET FOR THE LIBRARY FUND WHICH IS SEPARATELY ADOPTED, AND THE EMPLOYMENT STAFFING DOCUMENT OF SALT LAKE CITY FOR FISCAL YEAR 2008-2009.

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 2008-2009. 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. 29 of 2008, on May 6, 2008. A tentative City budget, excluding the budget for the Library Fund, was adopted by the City Council in ordinance No. 29 of 2008 on June 17, 2008.

Section 10-6-118 of the Utah Code Annotated requires that before the 22<sup>nd</sup> 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.

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 adopt the final budget, except the budget for the Library Fund which is separately adopted, for fiscal year 2008-2009, 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. ADOPTION OF FINAL BUDGET. The final budget attached hereto and made a part of this Ordinance, shall be, and the same hereby is 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, 2008 and ending June 30, 2009, in accordance with the requirements of Sections 10-6-105, 10-6-118 and 59-2-923 of the Utah Code Annotated, subject to the conditions set forth herein. The final budget is subject to the approval of the Mayor and reconsideration of the City Council pursuant to Section 10-3b-204 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 final 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 the 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 the final budget in the office of said Budget Officer and in the Office of the City Recorder, which final 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 become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah, this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
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 8-7-08  
By [Signature]

(SEAL)

Bill No. \_\_\_\_\_ of 2008.

Published: \_\_\_\_\_.

SALT LAKE CITY ORDINANCE

No. \_\_\_\_ of 2008

(Adopting the final budget for the Library Fund  
of Salt Lake City, Utah for fiscal year 2008-2009)

AN ORDINANCE ADOPTING THE FINAL BUDGET FOR THE LIBRARY  
FUND OF SALT LAKE CITY, UTAH FOR FISCAL YEAR 2008-2009.

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 2008-2009. 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. 29 of 2008, on May 6, 2008. The budget for the Library Fund was adopted by the City Council in ordinance No. 31 of 2008 on June 17, 2008.

Section 10-6-118 of the Utah Code Annotated requires that before the 22<sup>nd</sup> 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.

The City budget officer 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 adopt the final budget for the Library Fund, for fiscal year 2008-2009. All conditions precedent to the adoption of the final budget for the Library Fund have been accomplished.

SECTION 2. ADOPTION OF FINAL BUDGET. The budget attached hereto and made a part of this Ordinance, shall be, and the same hereby is adopted as the final budget for the Library Fund of the City for the fiscal year beginning July 1, 2008 and ending June 30, 2009, 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 the 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 the final budget in the office of said Budget Officer and in the Office of the City Recorder, which final 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 become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah, this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
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 8-7-08  
By [Signature]

(SEAL)

Bill No. \_\_\_\_\_ of 2008.

Published: \_\_\_\_\_.