

TOQUERVILLE CITY

ORDINANCE 2026.XX

AN ORDINANCE ADOPTING TITLE 1, CHAPTER 13 OF THE TOQUERVILLE CITY CODE ENTITLED “PROPERTY TAX REVENUE AND TRUTH IN TAXATION POLICY.”

RECITALS

WHEREAS, Toquerville City relies upon property tax revenue as a foundational source of funding for municipal services including public safety, infrastructure maintenance, parks, and general governmental operations; and

WHEREAS, under the Utah Truth in Taxation Act and related provisions of Utah Code Title 59 Chapter 2 Part 9, increases in property values do not automatically increase municipal property tax revenue because tax rates are adjusted annually to generate substantially the same property tax revenue as the prior year, excluding new growth; and

WHEREAS, inflation, population growth, infrastructure demands, and operational needs increase the cost of providing municipal services over time; and

WHEREAS, the City Council finds that regular and predictable consideration of property tax revenue adjustments promotes responsible fiscal planning, transparency, and long-term sustainability of municipal services; and

WHEREAS, the City Council further finds that establishing a policy for periodic consideration of the Truth in Taxation process may reduce political volatility and improve accountability in municipal budgeting decisions.

ORDINANCE

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TOQUERVILLE, UTAH, that Title 1, Administration is hereby amended as set forth below to include the addition of Chapter 13, Property Tax and Truth in Taxation:

1-13-1: PURPOSE AND INTENT

The purpose of this chapter is to establish a policy for regular review of property tax revenue and consideration of the Truth in Taxation process in order to:

- A. Promote responsible long-term financial planning.
- B. Maintain the City’s ability to provide essential municipal services.
- C. Improve transparency and predictability in municipal budgeting.
- D. Encourage regular evaluation of municipal revenue needs.
- E. Provide accountability regarding the fiscal impacts of maintaining property tax revenue at the certified tax rate.

Nothing in this chapter shall be interpreted to require the City Council too adopt a property tax increase.

1-13-2: DEFINITIONS

CERTIFIED TAX RATE: The property tax rate calculated annually by the county auditor pursuant to Utah Code 59-2-924 that generates substantially the same property tax revenue as the previous year, excluding new growth.

TRUTH IN TAXATION PROCESS: The public notice and hearing process required when a taxing entity proposes to collect property tax revenue in excess of the amount generated by the certified tax rate pursuant to the Utah Truth in Taxation Act.

BASELINE REVENUE ADJUSTMENT: A potential increase in property tax revenue intended to maintain the purchasing power of existing municipal services.

UNFUNDED NEEDS ADJUSTMENT: A potential increase in property tax revenue intended to fund specific projects, infrastructure improvements, staffing needs, capital expenditures, or other municipal obligations not covered by existing revenue.

CONSUMER PRICE INDEX (CPI): The Consumer Price Index for All Urban Consumers published by the U.S. Bureau of Labor Statistics.

1-13-3: SCHEDULE FOR PROPERTY TAX REVENUE REVIEW

- A. The City Council shall conduct a formal review of property tax revenue and consider whether to initiate the Truth in Taxation process at least once every two (2) years.
- B. The review shall occur during the municipal budget process in even-numbered years.
- C. Nothing in this chapter limits the authority of the City Council to consider the Truth in Taxation process during any fiscal year if circumstances require.
- D. The purpose of this review requirement is to ensure the regular evaluation of municipal revenue needs and fiscal sustainability.

1-13-4: BASELINE REVENUE ADJUSTMENT ANALYSIS

During each scheduled review cycle, the City Manager shall prepare and present to the City Council a Baseline Revenue Adjustment Analysis. The analysis shall include:

- A. The cumulative rate of inflation based on the Consumer Price Index for the two most recently completed calendar years.
- B. An estimate of the property tax revenue necessary to maintain the current level of municipal services after accounting for inflationary increases in operating costs.
- C. A comparison between:
 - a. Projected property tax revenue generated by the certified tax rate; and
 - b. The estimated revenue required to maintain the current level of municipal services.
- D. The estimated property tax rate that would be necessary to maintain the purchasing power of existing revenues.

The Baseline Revenue Adjustment Analysis shall serve as the starting point for evaluating municipal revenue sustainability and shall inform the starting point for consideration as part of the Truth in Taxation process.

1-13-5: UNFUNDED NEEDS REPORT

In conjunction with the Baseline Revenue Adjustment Analysis, the City Manager shall prepare a report identifying significant unfunded municipal needs, which may include but are not limited to:

- A. Infrastructure maintenance or replacement

- B. Capital Improvement Projects
- C. Parks and recreation development
- D. Public Safety service expansion
- E. Personnel additions
- F. Technology or equipment replacement
- G. Debt issuance or debt service obligations
- H. Regulatory or statutory compliance costs

The report shall include estimated costs, projected timelines, and potential funding strategies for each identified need.

1-13-6: COUNCIL DETERMINATION

Following presentation of the analyses required by this chapter, the City Council shall determine whether to:

- A. Initiate the Truth in Taxation process consistent with state law, or
- B. Decline to initiate the Truth in Taxation process during that review cycle.

1-13-7: FINDINGS IF TRUTH IN TAXATION IS NOT INITIATED

If the City Council elects not to initiate the Truth in Taxation process during a scheduled review cycle, the Council shall adopt a Resolution of Fiscal Findings which shall include:

- A. A statement acknowledging that property tax revenue will remain limited to the amount generated by the certified tax rate plus new growth;
- B. Identification of anticipated service reductions, project deferrals, staffing limitations, or infrastructure maintenance delays that may occur if revenue does not keep pace with costs;
- C. A description of how the City intends to maintain fiscal sustainability without the additional property tax revenue; and
- D. A statement acknowledging the potential for larger property tax adjustments in future years if revenue does not keep pace with the cost of municipal services.

1-13-8: PUBLIC AVAILABILITY

The Baseline Revenue Adjustment Analysis, Unfunded Needs Report, and any Resolution of Fiscal Findings shall be made available to the public and published on the City's website prior to adoption of the Tentative Budget presentation.

1. **REPEALER.** All ordinances, resolutions and policies of the City, or parts thereof, inconsistent herewith, are hereby repealed, but only to the extent of such inconsistency and only for the period of time this Ordinance remains effective. This Repealer shall not be construed as reviving any law, order, resolution or ordinance or part thereof.

2. **SEVERABILITY.** Should any provision, clause or paragraph of this Ordinance or the application thereof to any person or circumstance be declared by a court of competent jurisdiction to be invalid, in whole or in part, such invalidity shall not affect the other provisions or applications of this Ordinance or the Toquerville City Code to which these amendments apply. The valid part of any provision, clause or paragraph of this Ordinance shall be given independence from the invalid provisions or applications and to this end the parts, sections and subsections of this Ordinance, together with the regulations contained therein, are hereby declared to be severable.

3. **EFFECTIVENESS.** This Ordinance shall become effective immediately upon approval

by the City Council.

ADOPTED AND APPROVED BY THE TOQUERVILLE CITY COUNCIL this 1st day of April 2026, based upon the following vote:

Councilmember:

Joey Campbell	AYE	_____	NAE	_____	ABSTAIN	_____	ABSENT	_____
Todd Sands	AYE	_____	NAE	_____	ABSTAIN	_____	ABSENT	_____
Wayne Olsen	AYE	_____	NAE	_____	ABSTAIN	_____	ABSENT	_____
Valerie Preslar	AYE	_____	NAE	_____	ABSTAIN	_____	ABSENT	_____
Jenny Chamberlain	AYE	_____	NAE	_____	ABSTAIN	_____	ABSENT	_____

TOQUERVILLE CITY
a Utah Municipal Corporation

Attest:

Dan Catlin, Toquerville City Mayor

Emily Teaters, Toquerville City Recorder