ORDINANCE NO. O-42-2026

AN ORDINANCE OF EAGLE MOUNTAIN CITY, UTAH, ENACTING CHAPTER 3.50 OF THE EAGLE MOUNTAIN MUNICIPAL CODE ESTABLISHING PROPERTY TAX ALLOCATIONS

PREAMBLE

WHEREAS, the City Council of Eagle Mountain City, Utah, desires to establish a policy whereby property tax revenues collected by the City are dedicated solely to the provision of public safety services; and

WHEREAS, the City Council desires to establish a dedicated and transparent funding mechanism through which property tax revenues may be received, accounted for, budgeted, and expended exclusively for approved public safety purposes; and

WHEREAS, Utah law authorizes a municipality to separately account for property tax revenues levied for a specified service and to establish a special revenue fund for such revenues, subject to applicable statutory requirements; and

WHEREAS, the City Council desires to establish financial coverage standards and an annual review process to evaluate whether the City's public safety property tax revenues are sufficient to meet projected public safety expenditures and whether adjustments to the City's property tax rate should be considered in accordance with applicable law; and

WHEREAS, the City Council finds that establishing a dedicated public safety property tax allocation will promote fiscal transparency, accountability, long-term financial planning, and the continued provision of adequate public safety services to the residents of Eagle Mountain City.

NOW THEREFORE, BE IT ORDAINED by the City Council of Eagle Mountain City, Utah:

1. Eagle Mountain Municipal Code Chapter 3.50, entitled "Property Tax Allocations," is hereby enacted as set forth in Exhibit A, which is attached hereto and incorporated herein by this reference.

2. The City Council has considered the impact of this Ordinance on and found it consistent with family health, stability, and formation as required by Utah law.

3. This Ordinance shall take effect upon its first publication or posting.

ADOPTED by the City Council of Eagle Mountain City, Utah, this 1st day of September, 2026.

EAGLE MOUNTAIN CITY, UTAH

Jared R Gray

Jared R. Gray, Mayor

ATTEST:

Lacie A. Messerly

Lacie A. Messerly
City Recorder

EAGLE MOUNTAIN 19 96 CORPORATE SEAL

CERTIFICATION

The above Ordinance was adopted by the City Council of Eagle Mountain City, Utah on the 1st day of September, 2026.

Those voting yes:	Those voting no:	Those excused:	Those abstaining:
☑ Melissa Clark	☐ Melissa Clark	☐ Melissa Clark	☐ Melissa Clark
☑ Zachory Huish	☐ Zachory Huish	☐ Zachory Huish	☐ Zachory Huish
☑ Craig Whiting	☐ Craig Whiting	☐ Craig Whiting	☐ Craig Whiting
☐ Rich Wood	☐ Rich Wood	☑ Rich Wood	☐ Rich Wood
☑ Brett Wright	☐ Brett Wright	☐ Brett Wright	☐ Brett Wright

EAGLE MOUNTAIN 19 96 CORPORATE SEAL

Lacie A. Messerly
City Recorder

Posted on 9/3/2026 by SA.

Exhibit A

Chapter 3.50
PROPERTY TAX ALLOCATIONS

Sections

3.50.010 Purpose and policy.

A. The City Council finds that public safety is an essential municipal service and that a stable and predictable source of revenue is necessary to provide adequate law enforcement services to the residents of Eagle Mountain City.

B. It is the policy of Eagle Mountain City that all property tax revenue received by the City, except revenue from a debt service levy or another levy that applicable law requires to be separately accounted for or expended, shall be deposited into and restricted within the Public Safety Fund established by this chapter.

C. Money in the Public Safety Fund may be appropriated or expended only for qualified public safety costs of law enforcement services provided by the Utah County Sheriff's Office or, if the City establishes a municipal police department, for the establishment, administration, operation, support, maintenance, and capital needs of that department.

D. The City shall annually evaluate the Public Safety Fund coverage ratio. The target coverage ratio is 85 percent, with a lower band of 75 percent and an upper band of 95 percent.

E. If the projected coverage ratio is above the upper band or below the lower band, the City Council shall consider adjusting the property tax rate to produce a projected coverage ratio of approximately 85 percent, subject to applicable state law.

F. The City Council shall not consider additional staffing for other city services or functions as part of the annual budget preparation process until the budget for the public safety fund is determined to be adequately capable of satisfying the public safety needs of the city. The budget of the public safety fund is determined to be adequately capable of satisfying the public safety needs of the city when the coverage ratio is within 75 to 95 percent and sufficient other revenues are allocated to make up the difference.

G. The requirements of this chapter are intended to operate in addition to, and not in place of, the certified tax rate calculations, maximum levy limitations, notice, hearing, and Truth in Taxation requirements imposed by state law.

3.50.020 Definitions.

For purposes of this chapter:

"Certified tax rate" means the certified tax rate determined pursuant to Section 59-2-924, Utah Code, as amended.

"Coverage ratio" means the quotient obtained by dividing projected property tax revenue for the ensuing fiscal year by the projected public safety funding requirement for that fiscal year and expressing the quotient as a percentage. For annual reconciliation and public reporting, the same calculation shall be made using actual property tax revenue and actual qualified public safety costs for the completed fiscal year.

"Lower band" means a coverage ratio of 75 percent.

"Property tax revenue" means all revenue received by Eagle Mountain City from the City's general ad valorem tax upon real and personal property, excluding proceeds of a debt service levy or another levy that applicable law requires to be separately imposed, accounted for, or expended.

"Public Safety Fund" means the segregated fund established under Section 3.50.030 to receive and hold property tax revenue and other money legally deposited into the fund for qualified public safety costs.

"Public safety funding requirement" means the amount adopted by the City Council in the City's annual budget that is reasonably necessary to pay qualified public safety costs for the ensuing fiscal year, including approved operating costs, capital costs, and contributions for identified or reasonably anticipated law enforcement needs.

"Public safety services" means law enforcement services provided to Eagle Mountain City by the Utah County Sheriff's Office under contract or other lawful arrangement and, if established, law enforcement services provided by an Eagle Mountain City municipal police department. The term does not include fire suppression, emergency medical services, or an unrelated municipal service.

"Qualified public safety costs" means expenditures and financial requirements reasonably and substantially attributable to public safety services. Qualified public safety costs include:

1. Payments and other direct costs under a contract or lawful arrangement with the Utah County Sheriff's Office for law enforcement services provided to the City;

2. Costs of planning for, establishing, staffing, equipping, or transitioning to an Eagle Mountain City municipal police department;

3. Salaries, wages, benefits, retirement contributions, overtime, training, recruitment, retention, uniforms, equipment, supplies, and other personnel costs of a City municipal police department;

4. Vehicles, vehicle replacement, fuel, maintenance, communications systems, information technology, software, records systems, dispatch-related systems, and other operational resources used for the law enforcement services described in this chapter;

5. Acquisition, design, construction, expansion, improvement, repair, maintenance, furnishing, equipping, or replacement of police stations, substations, evidence facilities, training facilities, vehicle and equipment storage facilities, and other facilities primarily used for the law enforcement services described in this chapter, including debt service payments for bonds or other lending instruments used in funding such facilities;

6. Professional services, studies, consulting, legal services, recruitment, implementation expenses, insurance, and other costs directly associated with the provision or establishment of the law enforcement services described in this chapter;

7. The reasonably allocable portion of City administrative or internal service costs that directly supports the law enforcement services described in this chapter, if the allocation is documented and consistently applied; and

8. Amounts restricted, committed, or otherwise reserved in accordance with applicable accounting requirements and City financial policies for identified or reasonably anticipated future costs of the law enforcement services described in this chapter.

For a cost attributable to both public safety and another City function, only the portion reasonably attributable to the law enforcement services described in this chapter constitutes a qualified public safety cost. A cost does not qualify merely because it provides an incidental benefit to public safety.

"Target coverage ratio" means a coverage ratio of 85 percent.

"Upper band" means a coverage ratio of 95 percent.

3.50.030 Public Safety Fund; deposit and restriction of property tax revenue.

A. Pursuant to Section 10-6-133.4, Utah Code, or any successor provision, the City shall levy the property tax governed by this chapter for the specific service of providing law enforcement services. The tax rate shall be established annually in accordance with this chapter and applicable state law.

B. The City shall create and maintain within its budget and accounting system a segregated fund known as the Public Safety Fund. The Public Safety Fund shall be maintained and accounted for as a special revenue fund to the extent required by Section 10-6-133.4, Utah Code.

C. All property tax revenue shall be deposited directly into the Public Safety Fund. This requirement does not apply to proceeds of a debt service levy or another levy that applicable law requires to be deposited into a different fund or account.

D. Property tax revenue, interest and earnings on fund money, and any balance carried forward in the Public Safety Fund may be appropriated or expended only for qualified public safety costs.

E. Money in the Public Safety Fund may not be transferred, loaned, appropriated, or expended for an unrelated municipal service or general-purpose expenditure.

F. A transfer or payment from the Public Safety Fund to another City fund or internal service function is permitted only to reimburse a documented qualified public safety cost incurred on behalf of the public safety function. The amount shall reflect the actual cost or a reasonable and consistently applied allocation of the cost attributable to public safety services.

3.50.040 Annual coverage ratio evaluation.

A. As part of preparation of the City's tentative budget each fiscal year, the City Manager or designee shall prepare and present to the City Council:

1. The proposed public safety funding requirement for the ensuing fiscal year;
2. The estimated property tax revenue for the ensuing fiscal year at the certified tax rate and at the City's proposed tax rate;
3. The projected coverage ratio at the certified tax rate and at the City's proposed tax rate;
4. The beginning balance and projected ending balance of the Public Safety Fund;
5. The property tax rate estimated to produce a projected coverage ratio of approximately 85 percent; and
6. Any property tax rate adjustment recommended under this chapter.
7. Supporting level of service metrics that give evidence of the need for the proposed public safety funding requirement.

B. The City Council shall evaluate the projected coverage ratio each year before adopting the City's final budget and property tax rate.

C. The target coverage ratio is 85 percent. The target operating band extends from 75 percent through 95 percent.

D. In calculating a projected or actual coverage ratio, property tax revenue is the numerator and the public safety funding requirement or actual qualified public safety costs, as applicable, is the denominator. For example, if qualified public safety costs are $10,000,000 and property tax revenue is $8,500,000, the coverage ratio is 85 percent.

E. The City Council shall separately consider the available and projected balance of the Public Safety Fund, but the balance may not be used or transferred for a purpose other than qualified public safety costs.

F. Estimates used for the annual evaluation may reasonably account for collection rates, State Tax Commission or county adjustments, rounding, changes in assessed valuation, timing differences, and other factors affecting administration or collection of the tax.

3.50.050 Coverage ratio above upper band.

A. If the projected coverage ratio exceeds 95 percent, the City Council shall consider reducing the property tax rate to the rate estimated to produce a projected coverage ratio of approximately 85 percent.

B. The requirement of subsection A applies regardless of whether the additional projected revenue results from:

1. Eligible new growth;
2. New real or personal property associated with commercial, industrial, residential, data center, or other development;
3. Changes in centrally assessed property;
4. Changes in locally assessed property; or
5. Any other expansion of the taxable property base for which a reduction in the City's tax rate is permitted by state law.

C. The City Manager or designee shall present the City Council with the estimated rate described in subsection A and the effect of the proposed reduction on projected property tax revenue and the Public Safety Fund.

D. This section requires consideration of a rate reduction but does not require the City Council to adopt a rate that it determines would be inconsistent with an identified or reasonably anticipated qualified public safety need or with applicable law. If the City Council does not adopt the estimated rate described in subsection A, the annual public summary required by Section 3.50.110 shall state the rate adopted and the Council's determination.

3.50.060 Coverage ratio below lower band.

A. If the projected coverage ratio is less than 75 percent, the City Council shall consider increasing the property tax rate to the rate estimated to produce a projected coverage ratio of approximately 85 percent.

B. The City Manager or designee shall present the City Council with the estimated rate described in subsection A and the effect of the proposed increase on projected property tax revenue and the Public Safety Fund.

C. If the rate described in subsection A exceeds the certified tax rate or otherwise constitutes a property tax increase subject to state notice or hearing requirements, the City shall comply with all applicable requirements of Title 59, Chapter 2, Utah Code, including applicable Truth in Taxation requirements, before adopting the increased rate.

D. Nothing in this chapter authorizes a property tax rate exceeding a limitation established by state law. If the City Council does not adopt the estimated rate described in subsection A, the annual public summary required by Section 3.50.110 shall state the rate adopted and the Council's determination.

3.50.070 Coverage ratio within target operating band.

If the projected coverage ratio is at least 75 percent and not more than 95 percent, this chapter does not require the City Council to consider an increase or reduction in the property tax rate. The City Council may maintain the existing rate or consider an adjustment toward the 85 percent target, subject to applicable state law and the qualified public safety needs identified in the annual budget.

3.50.080 Fund balance and annual reconciliation.

A. Because actual property tax collections and qualified public safety costs may differ from amounts projected when the annual levy is adopted, a reasonable variance between the projected and actual coverage ratios does not constitute a violation of this chapter.

B. At the conclusion of each fiscal year, the City Manager or designee shall calculate the actual coverage ratio and reconcile actual property tax revenue, actual qualified public safety costs, and the ending balance of the Public Safety Fund.

C. Money remaining in the Public Safety Fund at the conclusion of a fiscal year shall remain restricted to qualified public safety costs and shall not lapse or be transferred to an unrestricted or unrelated purpose.

D. In establishing the property tax levy for the following fiscal year, the City Council shall consider the available balance and identified or reasonably anticipated qualified public safety costs. Consideration of the balance does not alter the coverage ratio formula in Section 3.50.020.

3.50.090 Cost allocation and accounting.

A. The City shall maintain accounting records sufficient to demonstrate that all property tax revenue is deposited into the Public Safety Fund and that fund money is expended only for qualified public safety costs.

B. When an employee, asset, contract, program, internal service, or other expenditure supports both the law enforcement services described in this chapter and another City function, the Public Safety Fund may be charged only for the portion reasonably attributable to those law enforcement services.

C. Allocation methodologies may be based on time, staffing, usage, transaction volume, square footage, asset utilization, insurance exposure, incremental cost, or another reasonable measure appropriate to the expenditure. The methodology and supporting records shall be documented and consistently applied.

D. The City Manager or designee shall establish administrative procedures reasonably necessary to implement this section.

3.50.100 Compliance with state law.

A. The City shall levy, collect, account for, and expend property tax revenue in accordance with this chapter, Title 10, Chapter 6, Utah Code, Title 59, Chapter 2, Utah Code, and all other applicable provisions of state law.

B. If a requirement of this chapter conflicts with a mandatory requirement of state law, state law controls, and the remaining provisions of this chapter remain in effect to the fullest extent permitted by law.

C. Nothing in this chapter shall be construed to:

1. Modify the manner in which the State Tax Commission or Utah County calculates the City's certified tax rate;
2. Exempt the City from Truth in Taxation or another notice, hearing, certification, budget, or levy requirement;
3. Authorize a property tax levy exceeding the maximum permitted by state law;
4. Restrict or control a property tax imposed by another taxing entity; or
5. Require the deposit or expenditure of property tax revenue in a manner inconsistent with Section 10-6-133.4, Utah Code, or another mandatory provision of state law.

3.50.110 Annual public reporting.

A. Following adoption of the City's annual property tax levy, the City shall make available to the public a summary showing:

1. The adopted public safety funding requirement;
2. The beginning and projected ending balance of the Public Safety Fund;
3. The certified tax rate and the property tax rate adopted by the City;
4. The estimated property tax revenue generated by the adopted rate;
5. The projected coverage ratio and the preceding fiscal year's actual coverage ratio;
6. The 85 percent target coverage ratio and the 75 percent and 95 percent bands;
7. Any rate adjustment considered or adopted under Sections 3.50.050 or 3.50.060 and, if the estimated rate that would produce an 85 percent coverage ratio was not adopted, the City Council's determination; and
8. A statement that all property tax revenue held in the Public Safety Fund is restricted to qualified public safety costs.

B. The annual summary must be shared with the public in a public meeting prior to the acceptance of the annual tentative budget, and easily discoverable and accessible on the city website for additional review.

C. The annual summary may also be included in the City's budget, annual financial report, property tax information materials, or another document made readily available to the public.