

City Council Staff Report

August 17, 2016

Item

Prepared by:

Debbie Sanchez

Public Hearing:

Yes

REQUEST

Consideration to adopt the Certified Tax Rate for Fiscal 2016-2017

DISCUSSION

As part of the budgeting process for Fiscal Year 2016-2017, the City Council must adopt a Certified Tax Rate, as given to the City by the Utah County Auditor's Office.

Normally the certified tax rate must be adopted by June 22nd. However, at the May 4th City Council meeting, as part of the motion to adopt the tentative budget, Council decided to move forward in the Truth-in-Taxation process. The City proposed to maintain last year's certified tax rate of .002729 rather than accept the County rate of .002574.

The rate decrease proposed by the County is caused primarily by the increase in property valuations in Mapleton City. Under Utah State Code, the certified tax rate is adjusted to yield the same budgeted revenue as in the prior year before any new growth is factored in. As the City's aggregate property valuations increase, the tax rate goes down. The County tax rate of .002574 will generate revenues of \$1,514,165. This is an increase of \$60,378 over last year which is the result of new growth being factored in.

If the City maintains last year's tax rate at .002729, generated revenues would total \$1,605,345. This is an additional \$91,180 over the \$60,378 from growth, for a total increase of \$151,558.

The tentative FY 2016-2017 budget adopted in May had a shortfall of **(\$50,994)**. Since that time there have been adjustments which increased the budget shortfall to **(\$72,764)**. These adjustments will be addressed later in the budget discussion. If the County rate of .002574 is adopted the budget will have a shortfall of **(\$62,386)**. If the City maintains last year's rate at .002729, the budget will have a surplus of \$28,794.

RECOMMENDATION

Determine which tax rate to approve and move to adopt a resolution adopting the certified tax rate for Mapleton City for FY 2016-2017.

Utah State Tax Commission - Property Tax Division Resolution Adopting Final Tax Rates and Budgets	Form PT-800 Rev. 02/15
--	----------------------------------

County: UTAH

Tax Year: 2016

It is hereby resolved that the governing body of:

MAPLETON CITY

approves the following property tax rate(s) and revenue(s) for the year: **2016**

1. Fund/Budget Type	2. Revenue	3. Tax Rate
10 General Operations	1,514,165	0.002574
Totals	\$1,514,165	0.002574

This resolution is adopted after proper notice and hearing in accordance with UCA 59-2-919 and shall be forwarded to the County Auditor and the Tax Commission in accordance with UCA 59-2-913 and 29-2-920.

Signature of Governing Chair

Signature: _____ Date: _____

Title: _____

Utah State Tax Commission - Property Tax Division Resolution Adopting Final Tax Rates and Budgets	Form PT-800 Rev. 02/15
--	----------------------------------

County: UTAH

Tax Year: 2016

It is hereby resolved that the governing body of:

MAPLETON CITY

approves the following property tax rate(s) and revenue(s) for the year: **2016**

1. Fund/Budget Type	2. Revenue	3. Tax Rate
10 General Operations	1,605,345	0.002729
Totals	\$1,605,345	0.002729

This resolution is adopted after proper notice and hearing in accordance with UCA 59-2-919 and shall be forwarded to the County Auditor and the Tax Commission in accordance with UCA 59-2-913 and 29-2-920.

Signature of Governing Chair

Signature: _____ Date: _____

Title: _____