



Davis

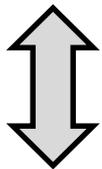
C O U N T Y

How Property Taxes Work in Utah

Property Tax Utilization



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Prior year's revenue from property tax.

- Property Rights Recordation
- Criminal Prosecution
- 911 Service
- Correctional Facility
- Accounting Services
- Human Resources
- Paramedic Services
- Justice Court
- Animal Care & Control
- Election Management
- Senior Services
- Flood Prevention
- Land Survey
- Health & Human Services
- Criminal Defense
- Treasury Services
- Property Assessment
- Law Enforcement
- Information Technology
- Marriage Licensing
- Children's Justice Center
- Economic Development
- Tax Administration

Start by assuming that Davis County has only four properties of equal value and the base property tax revenue needed to cover services is \$1,000.



\$100,000



\$100,000



\$100,000



\$100,000



**Total Base Property
Tax: \$1,000**

Total Property Value		Calculate the Tax Rate		Taxes for Each Property			
Prop. 1 -	\$ 100,000	Total Prop. Tax Base →	\$1,000	Prop. 1 -	\$ 100,000	x .00250	\$ 250
Prop. 2 -	\$ 100,000		÷	Prop. 2 -	\$ 100,000	x .00250	\$ 250
Prop. 3 -	\$ 100,000	Total Property Value →	\$400,000	Prop. 3 -	\$ 100,000	x .00250	\$ 250
Prop. 4 -	\$ 100,000		=	Prop. 4 -	\$ 100,000	x .00250	\$ 250
Total	\$ 400,000	Tax Rate →	.00250	Total Tax Revenue			\$1,000

What if all four houses double in value to \$200,000? Does the tax revenue double?

No.



\$200,000



\$200,000



\$200,000



\$200,000



**Total Base Property
Tax: \$1,000**

Total Property Value		Calculate the Tax Rate		Taxes for Each Property			
Prop. 1 -	\$ 200,000	Total Prop. Tax Base →	\$1,000	Prop. 1 -	\$ 200,000	x .00125	\$ 250
Prop. 2 -	\$ 200,000		÷	Prop. 2 -	\$ 200,000	x .00125	\$ 250
Prop. 3 -	\$ 200,000	Total Property Value →	\$800,000	Prop. 3 -	\$ 200,000	x .00125	\$ 250
Prop. 4 -	\$ 200,000		=	Prop. 4 -	\$ 200,000	x .00125	\$ 250
Total	\$ 800,000	Tax Rate →	.00125	Total Tax Revenue			\$ 1,000

But all home values are different. What happens then?



\$120,000



\$250,000



\$170,000



\$310,000

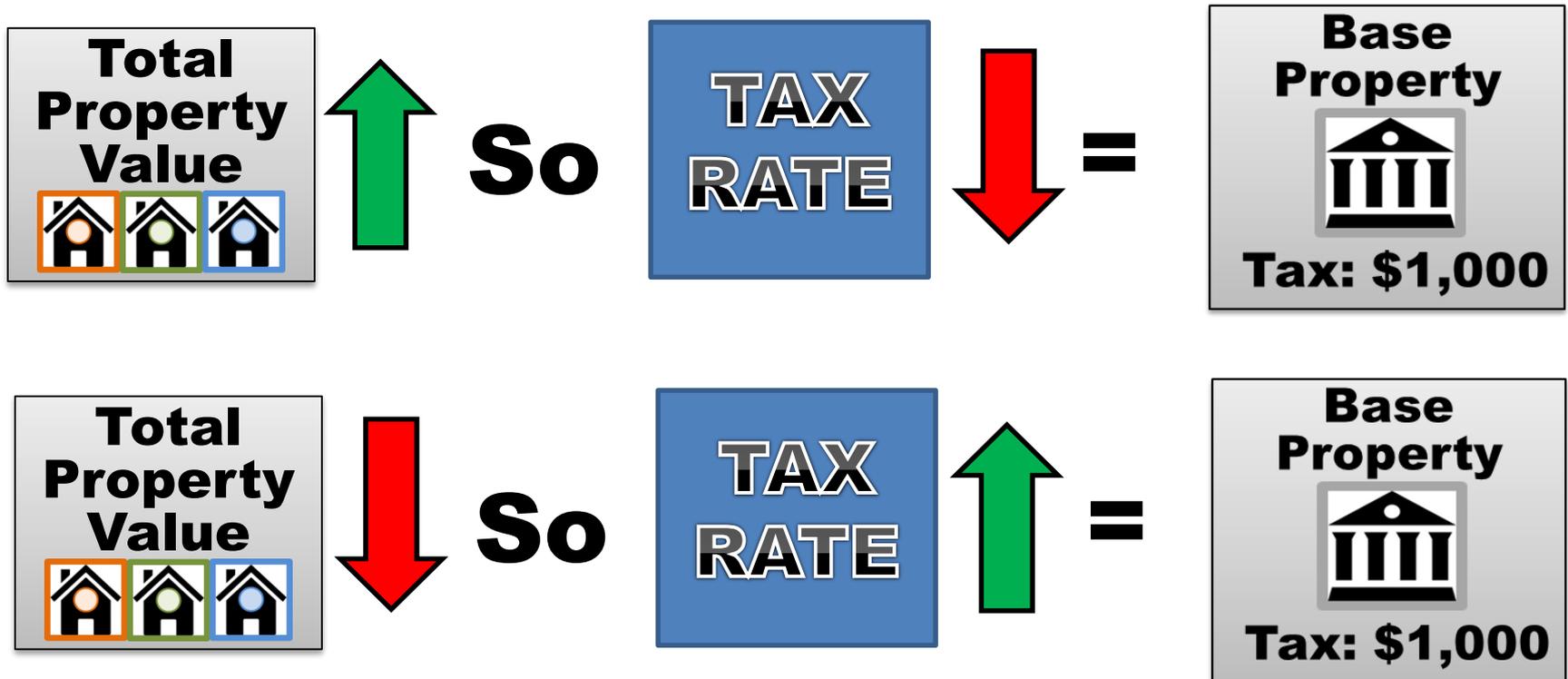


**Total Base Property
Tax: \$1,000**

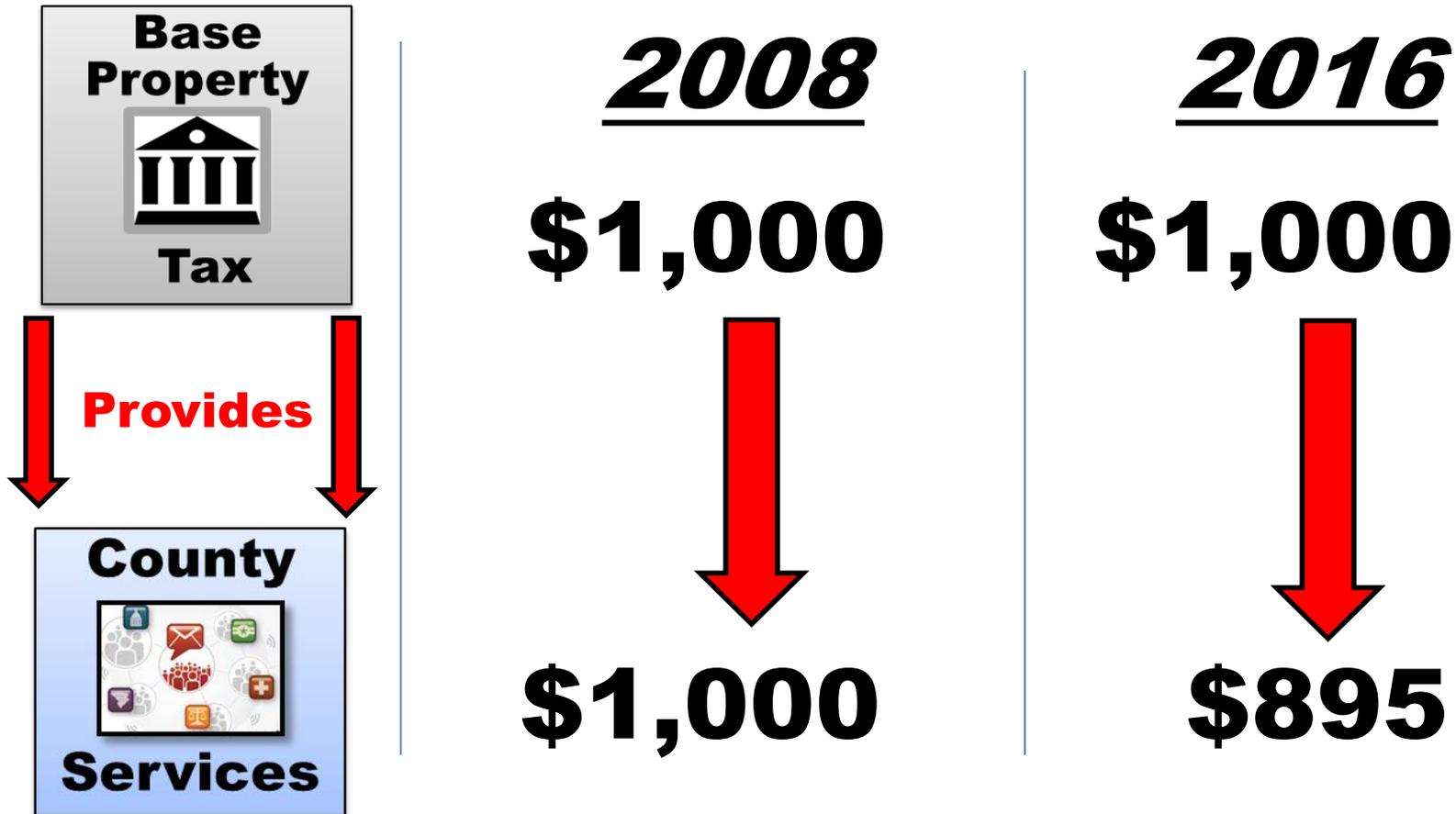
Total Property Value		Calculate the Tax Rate		Taxes for Each Property			
Prop. 1 -	\$ 120,000	Total Prop. Tax Base →	\$1,000	Prop. 1 -	\$ 120,000	x .00118	\$ 141
Prop. 2 -	\$ 250,000		÷	Prop. 2 -	\$ 250,000	x .00118	\$ 294
Prop. 3 -	\$ 170,000	Total Property Value →	\$850,000	Prop. 3 -	\$ 170,000	x .00118	\$ 200
Prop. 4 -	\$ 310,000		=	Prop. 4 -	\$ 310,000	x .00118	\$ 365
Total	\$ 850,000	Tax Rate →	.00118	Total Tax Revenue			\$1,000

Regardless of the total property value in the County, does the base tax revenue remain the same?

Yes.

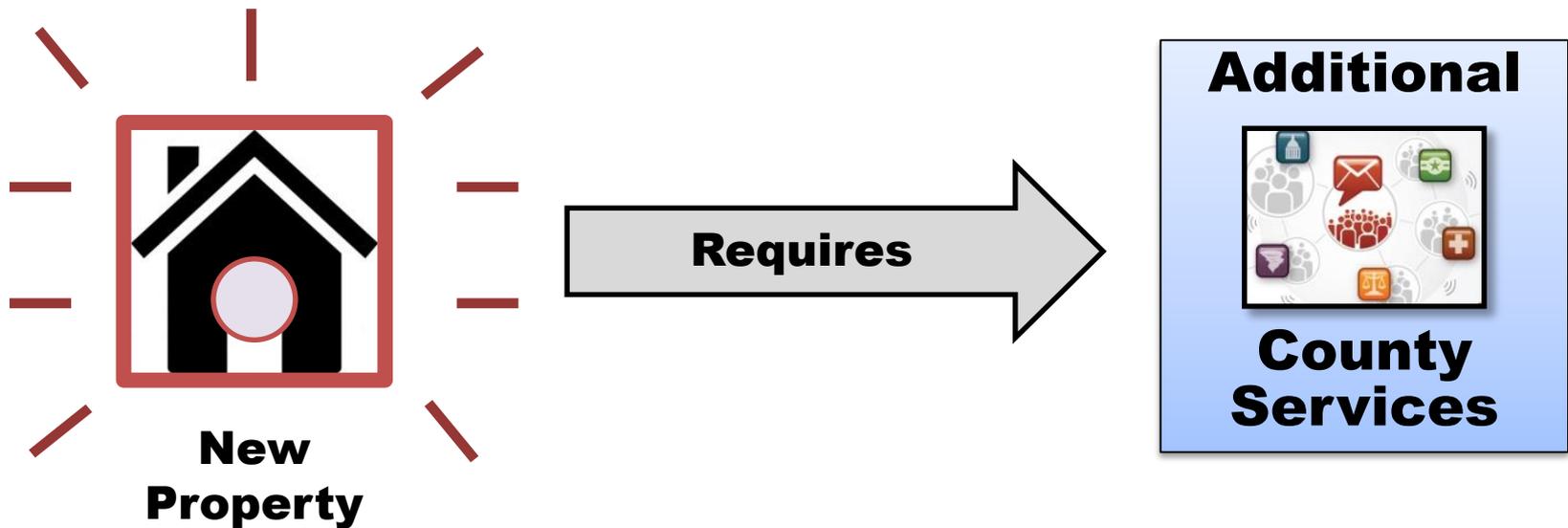


How does **inflation** affect the base tax revenue?



Over time, the County can provide fewer services for the same base tax revenue generated year over year.

What about all the new homes that are built each year, doesn't the County get new tax revenue for them? **Yes, this is called new growth.**



New growth requires the county to cover additional services required by the new property. It is not intended to offset inflation.



Davis

C O U N T Y

**2017 Proposed Tax
Increase**

Proposed Tax Increases

Davis County

- Not to Exceed \$7.2 million
- An increase of 23.37% of the County property tax increment
- An annual increase of \$56.91 for a home with a value of \$260,000

Davis Co. Library

- Not to Exceed \$1.25 million
- An increase of 20.18% of the Library property tax increment
- An annual increase of \$9.87 for a home with a value of \$260,000

Public Open Houses:

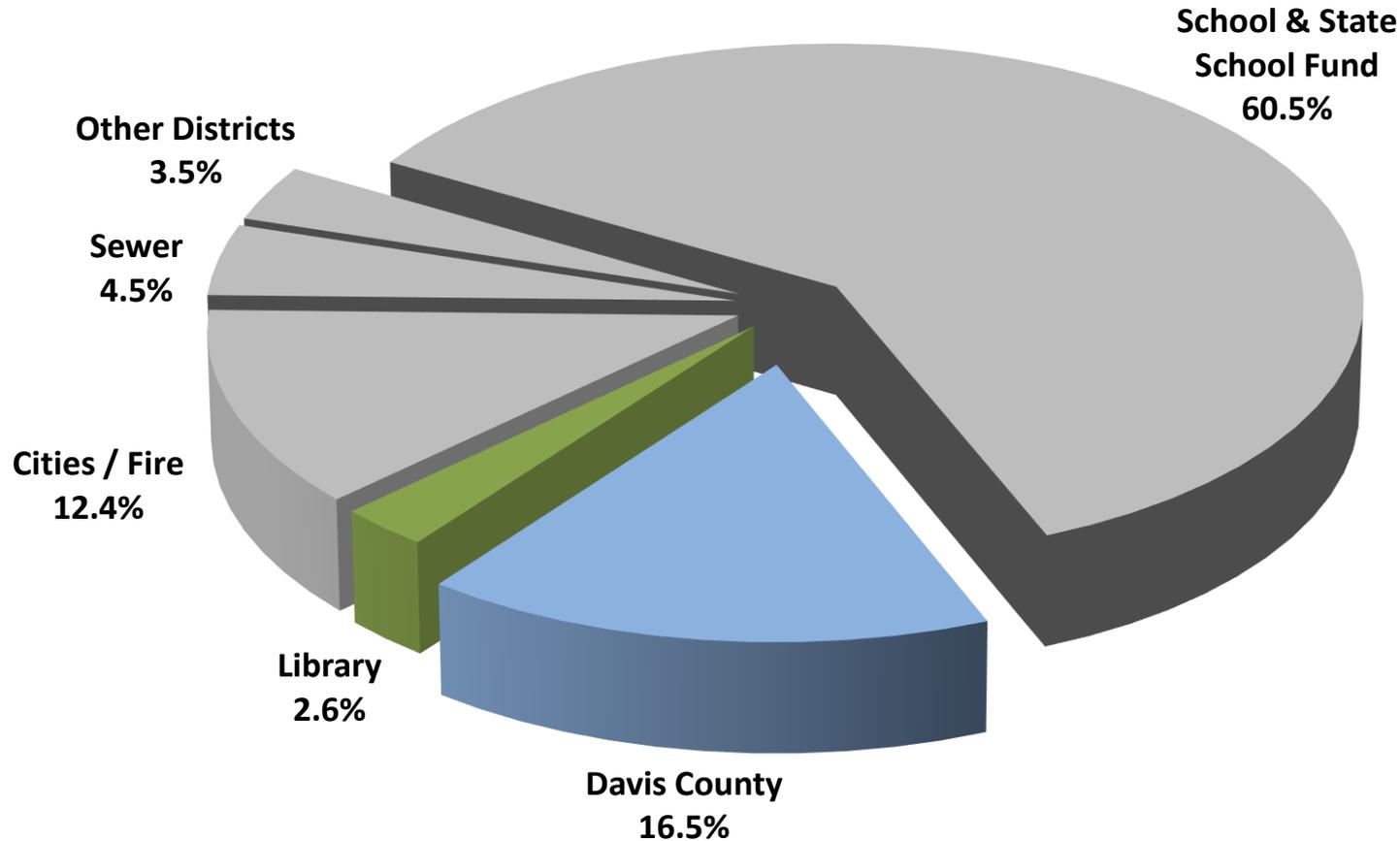
- **Tuesday, November 29th** from 6:00 pm to 9:00 pm at **Davis County Admin. Building**
- **Wednesday, November 30th** from 6:00 pm to 9:00 pm at **Clearfield Library**
- **Thursday, December 1st** from 6:00pm to 9:00 pm at **Bountiful City Hall**

Public Hearing:

Davis Co. Library – Tuesday, December 6th, 6:00 pm – Davis Conference Center

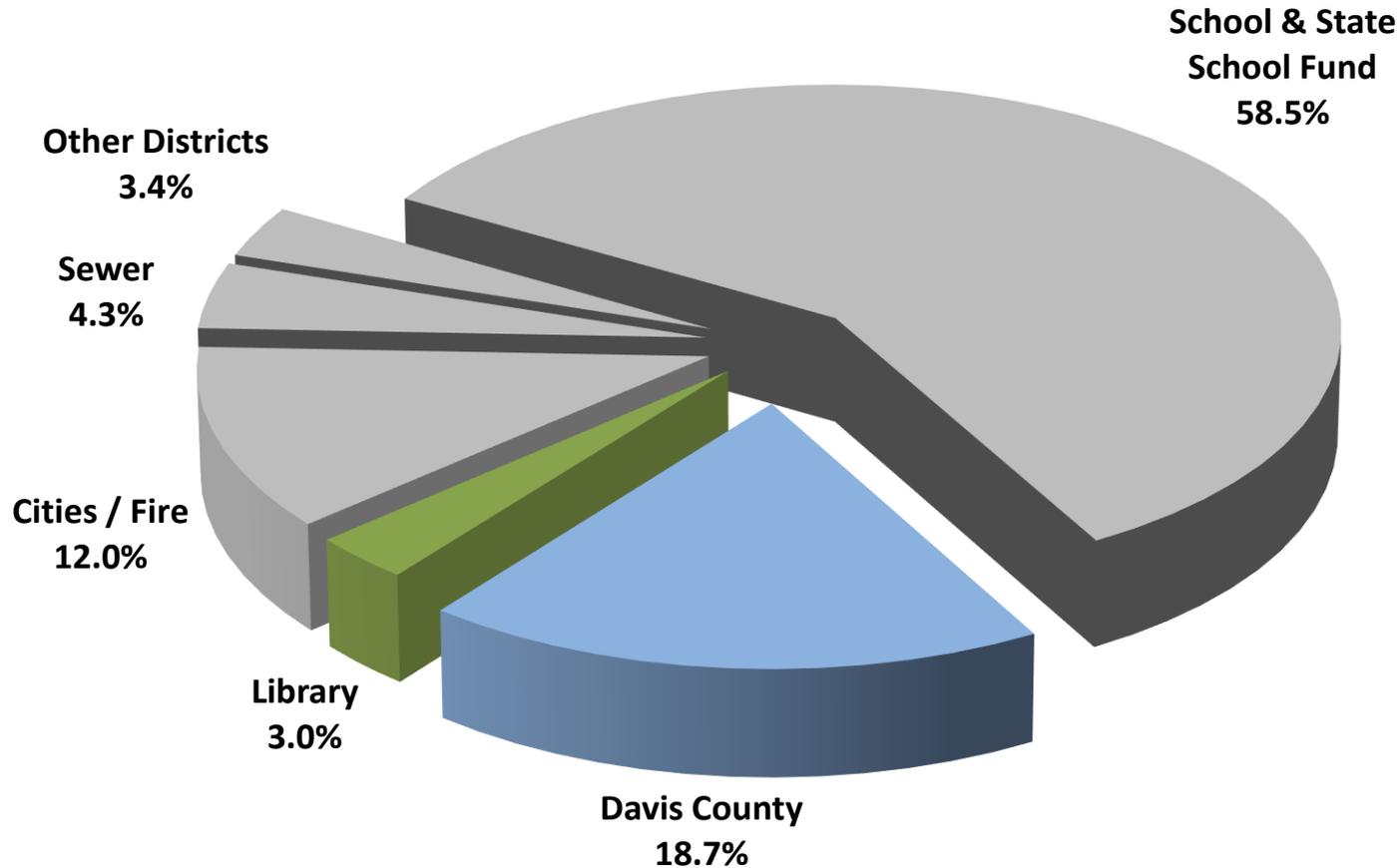
Davis County – Tuesday, December 6th, 7:00 pm – Davis Conference Center

Proposed Tax Increases



- The proposed increase of 23.37% is only applied to the 16.5% of County property tax .
- The proposed increase of 20.18% is only applied to the 2.6% of Library property tax

Impact of Proposed Tax Increase

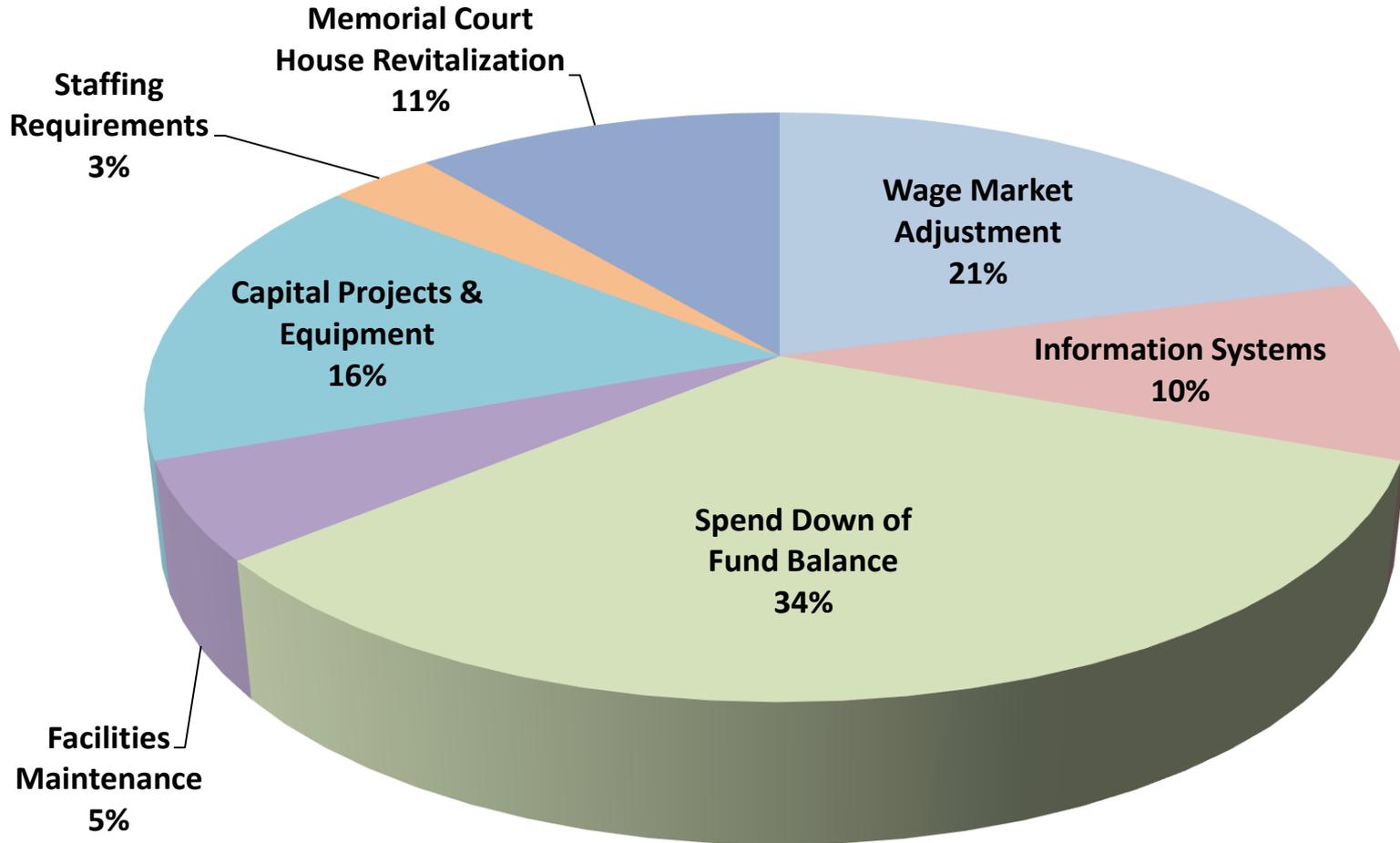


- The County portion of the total property tax goes to 18.7% from 16.5%.
- The Library portion of the total property tax goes to 3% from 2.6% .

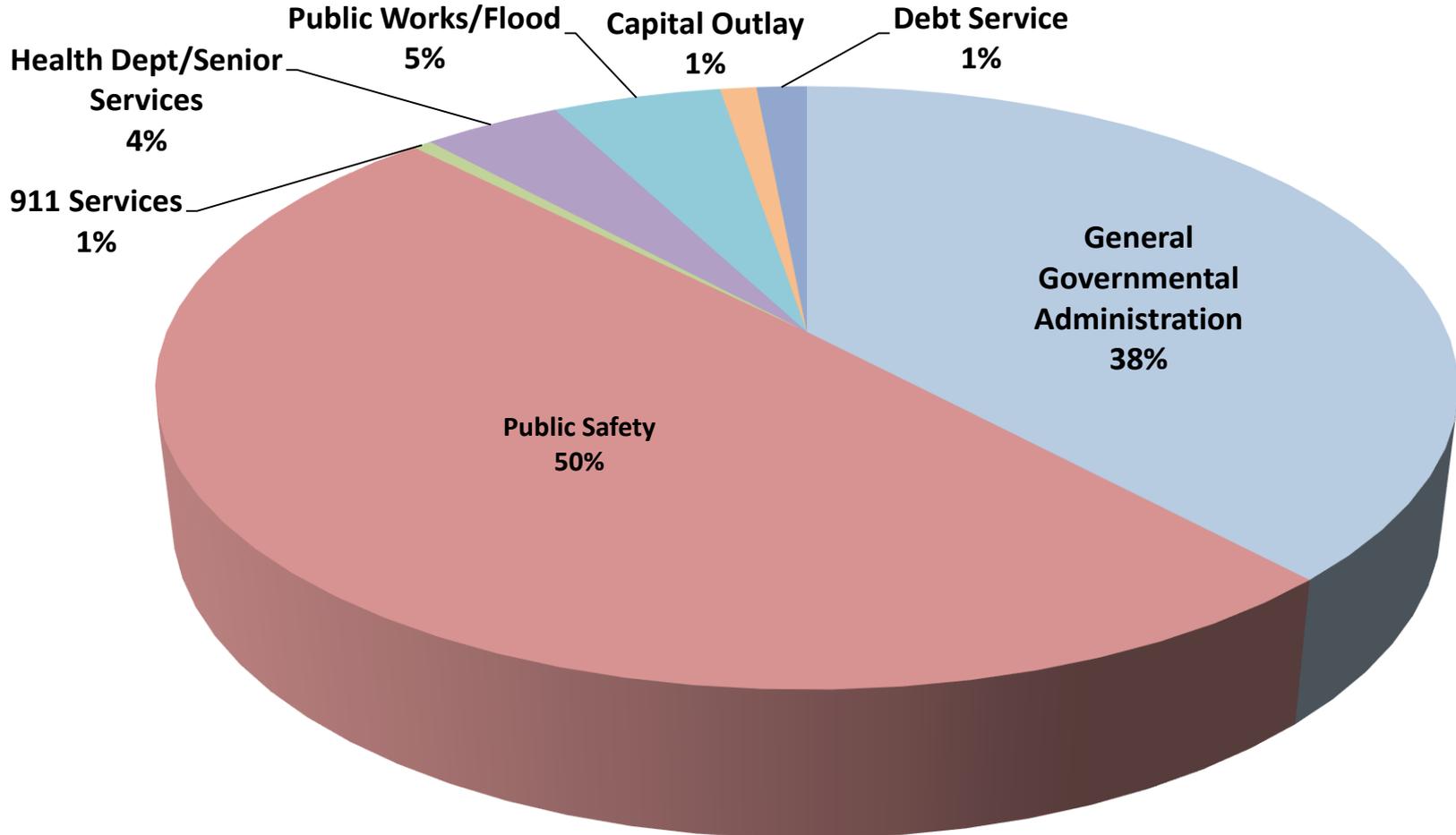
Why Does Davis County Need a Tax Increase?

- Last tax increase was in 2007, ten years ago.
- Tax base revenue has lost approx. \$4.5 million to inflation since the 2007 tax increase.
- Over the last 4 years, the County has spent down reserve balances and deferred expenses in operations, personnel costs, and capital improvements.
- In 2016, the County had an independent firm conduct a salary survey. In order to become competitive in the labor market, market adjustments are needed.
- Additional investments need to be made in the areas of flood control, information systems, facility maintenance and capital projects.

Where will the \$7.2 Million Increase Go?



How Does the County Currently Spend My Tax Dollars?



How Do I Know That Davis County Is Operating Efficiently?

2014 Expenditures per Capita ¹	
Davis County	\$ 332.90
2nd Class* Average	\$ 412.18
State of Utah Average	\$ 685.20

2014 Revenues per Capita ¹	
Davis County	\$ 323.70
2nd Class* Average	\$ 409.58
State of Utah Average	\$ 681.90

Davis County is the lowest in per capita expenditures and revenues for all counties in the state of Utah.

5 Year Average Expenditures ²

- Davis County expenditures have only increased by 2.84% over the last 5 years (2011-2015). This is an average increase of .73% annually.
- Full time equivalent (FTE) employees have decreased from 885 in 2011 to 844 in 2015

Sources: 1-2016 Utah Associations of Counties Fact Book 2- Davis County Comprehensive Annual Financial Reports 2011-2015

*2nd Class Counties in the State include: Davis, Weber, Washington and Utah

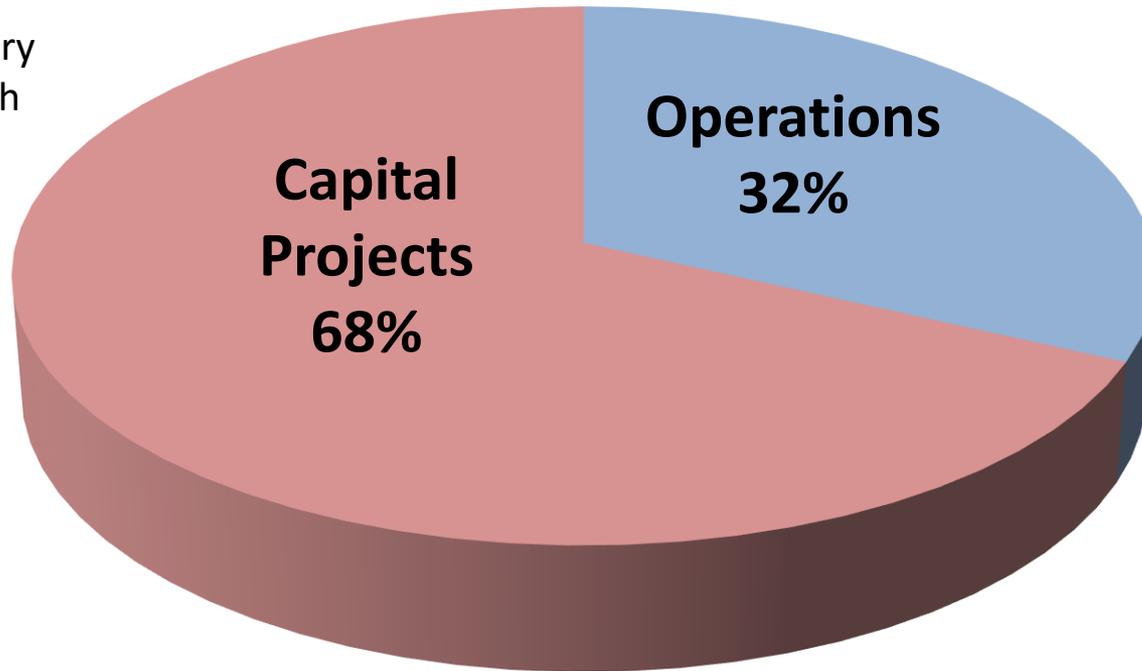
Why Does Davis County Library Need a Tax Increase?

- Last tax increase was in 2000, 16 years ago.
- Tax base revenue has lost approx. \$1.9 million to inflation since the 2000 tax increase.
- Significant investments in aging infrastructure are needed in order to meet the needs of Davis County citizens.
- Current funding levels will not meet operational or capital improvement needs in upcoming years, requiring reduction in services.

Where will the \$1.25 Million Increase Go?

Capital Projects

- Rebuild South Branch Library
- Expand Syracuse Library
- Remodel North Branch



Operations

- Meet operational needs
- Expand Library services
- Sustain current buildings and grounds

How Do I Know That Davis County Library Is Operating Effectively?

2015 Total Operating and Capital Expenditures per Capita ¹		2015 Total Operating and Capital Revenues per Capita ¹	
Davis County Library	\$ 40.16	Davis County Library	\$ 33.01
Weber County Library	\$ 83.24	Weber County Library	\$ 84.63
Salt Lake City Library	\$ 81.26	Salt Lake City Library	\$ 89.02
Salt Lake County Library	\$ 43.51	Salt Lake County Library	\$ 49.26

The use of available operational revenue to offset operational expenditures is only one of several methods to gauge the overall successful management of a library system. Consequently, library systems should not be measured against one another as each serves a unique community with specialized needs. As indicated in the chart above, the ratio of revenues to expenditures does provide a strong indicator that the Davis County Library is delivering quality library services for its citizens in a cost effective manner.

Snapshot - Davis County Library

