

Jill Hunt

From: Amy Mabey
Sent: Tuesday, December 21, 2021 10:18 AM
To: Jill Hunt
Subject: FW: Question about appraisal/options

Hi Jill,

Can you please include this correspondence with John Ulibarri in the Dickson's packet materials for Tuesday? It helps to provide an overview of how the property taxes are calculated.

Thanks so much!

Amy Sue Mabey, MPA

City Administrator
Pleasant View City
(801) 827-0468
amabey@pleasantviewcity.com

----- Forwarded message -----

From: "Ulibarri, John" <julibarri@co.weber.ut.us>
Date: Dec 20, 2021 9:18 AM
Subject: RE: Question about appraisal/options
To: Amy Mabey <amabey@pleasantviewcity.com>
Cc: "Hill, Angela L." <ahill@co.weber.ut.us>, "Kimber, Deedee" <dkimber@co.weber.ut.us>

Good morning Amy. We discussed several items when we spoke with Pleasant View City about the potential impact on property owners with the rezone of 2700 North. As you articulated below, the main thrust was the potential impact on property taxes. Let us go through a brief review of our property tax system and then get to your questions.

There are three main components in the property tax calculation for an individual parcel. Those are 1) tax rate, 2) property value, and 3) taxable status. First up is the property tax rate. As you already know, the property tax rate is the sum of the rates for the entities that make up the tax area, including Weber County, Weber School District, Pleasant View City, etc. In the simplest terms, the rate calculation divides the entities budgeted property tax revenue by its taxable value. Next is property valuation. Article XIII Section 2 of the Utah Constitution requires that all tangible taxable property in the state is valued and taxed in proportion to its market value. UCA 59-2-102(13) instructs assessors to value property at what it would have reasonably sold for on January 1 of each calendar year. When Pleasant View City changed the zone on parcels located along 2700 North, it changed the potential use of those properties to a more marketable, and thus more valuable, use. Consequently, the

values for these properties increased commensurately. Third, and in this case most importantly, is taxable status. Utah has several exemptions from and deferrals to property tax. The main exemptions are for properties owned by entities exempt by the state constitution (federal, state, local government, etc.) and those exempt through application (religious, charitable, and educational). Utah also has some partial exemptions from property tax; the most common is the residential exemption, which exempts forty-five percent of the market value for most residential properties. Finally, we have various property tax deferral programs; the most prominent is land that falls under the Farmland Assessment Act (FAA), more commonly known as greenbelt. Greenbelt properties are valued two ways. The first is market value just like all other taxable properties found in the state. The second is on the income producing potential of the land via agricultural production. The Utah State Tax Commission dictates these values via a study performed by subject matter experts in agriculture. The property tax is assessed on the agricultural value in the current year. The average discount hovers around 95%. The tax on land in greenbelt is deferred for five years. Removal from greenbelt status for any reason will result in a bill for the deferred tax. This is most commonly known as the rollback tax.

Now to your questions. As parcels on greenbelt only pay a tax on the agriculture value of the land, the statement that the impact of the rezone would be minimal referred specifically to those properties on greenbelt. The remaining tax is deferred. We also discussed the potential tax impact on properties taxed on their market value. If memory serves correct, I stated the tax liability for these properties would likely change dramatically for the year after the rezone. There are a couple of potential solutions moving forward specific to the Dickson's property. First, did someone use it agriculturally for at least the two prior years? If so, there are a couple of options depending on the answer to question number two. Second, is the parcel contiguous with other land the Dickson's own and is the ownership on title the same? We can combine the acreage of multiple parcels together to equal at least five if the land is contiguous AND the titled ownership of the parcels is the same. For example if the parcels both show as Mr. Dickson then all is well. If one parcels shows Mr. Dickson on title and the other title shows as The Dickson Family Trust, it would not qualify even though for all practical purposes the ownership is the same. Combining acreage is the smoothest path if possible. If contiguous land is not available, and someone used the property was agriculturally for at least the prior two years, it may qualify under the Urban Farming Assessment Act (UCA 59-2-Part 17). You can find the qualifications for urban farming here. The Urban Farming Assessment Act parallels the Farmland Assessment Act in most cases. However, please note there are some differences, one of which is an annual application. If the land qualifies, we can use the Urban Farming Assessment Act going forward to defer the tax liability and ease the immediate burden. We cannot apply the act retrospectively.

Please feel free to contact me again if you have any additional questions or concerns.

Respectfully,

John E. Ulibarri AAS, RES

Weber County Assessor

Phone (801) 399-8573

Fax (801) 399-8308

From: Amy Mabey <amabey@pleasantviewcity.com>
Sent: Thursday, December 16, 2021 11:42 AM
To: Ulibarri, John <julibbarri@co.weber.ut.us>
Cc: Leonard Call <lcall@pleasantviewcity.com>
Subject: [EXTERNAL] Question about appraisal/options

CAUTION: This email originated from outside Weber County. Do not click links or open attachments unless you know the sender and are expecting the link or attachment. **Think Before You Click!**

Hi John,

I hope all is well with you today. I wanted to reach out to follow up on an item that we've been navigating that I understand you may have helped to provide assistance to the city regarding about a year ago. The city proactively rezoned its 2700 corridor in an effort to adhere to our general plan. I believe that your office was engaged to comment on the prospective impacts that a change like this might have on property owners and from what I understand these were anticipated to be minimal. With this year's property valuations, Douglas and Tym Dickson's taxes went up substantially. Part of the challenge is this property is under five acres and doesn't qualify for greenbelt. We've been working closely with the Dickson's and they've also been working with your group to address this.

We currently have a rezone that is being discussed for consideration to adjust the zoning for this property in an effort to relieve some of the unanticipated tax burden resulting from this change. This has caused some concern because amending the zoning as proposed would no

longer meet our general plan. My question is whether you or your group might have other ideas or options with how best to navigate this and to possibly assist the Dickson's without requiring a rezone of the property. It's important to note that the use of this land has not changed during the past year.

Thank you for your time and help in navigating this unique situation.

Amy Sue Mabey, MPA

City Administrator

Pleasant View City

(801) 827-0468

amabey@pleasantviewcity.com