

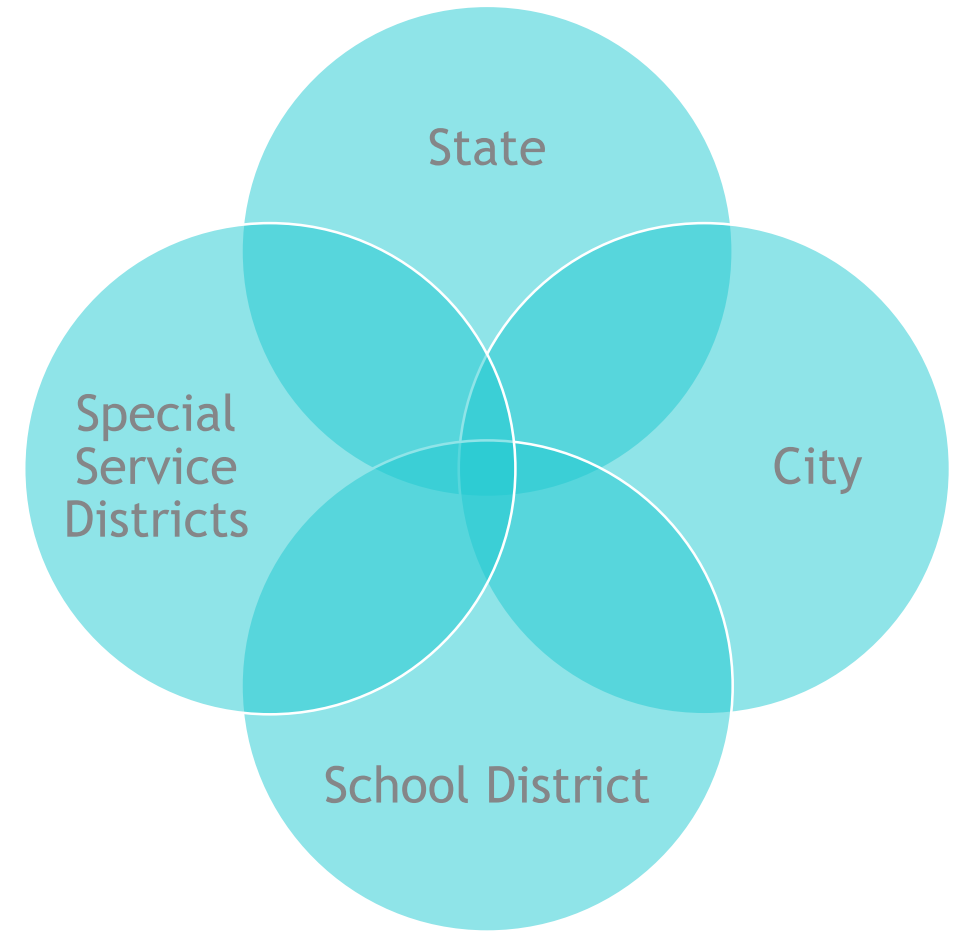


TRUTH IN TAXATION PROCESS



# UNDERSTANDING PROPERTY TAX

- Property in a given area subject to several taxing entities
- Each entity is guaranteed the prior year's tax revenue regardless of property value
- Truth in Taxation required if entity proposes more tax revenue than the previous year excepting "new growth"





# PROPERTY TAX CALCULATIONS

- Residential properties are exempt from taxation on 45% of the fair market value
- Commercial properties are subject to taxation on full fair market value

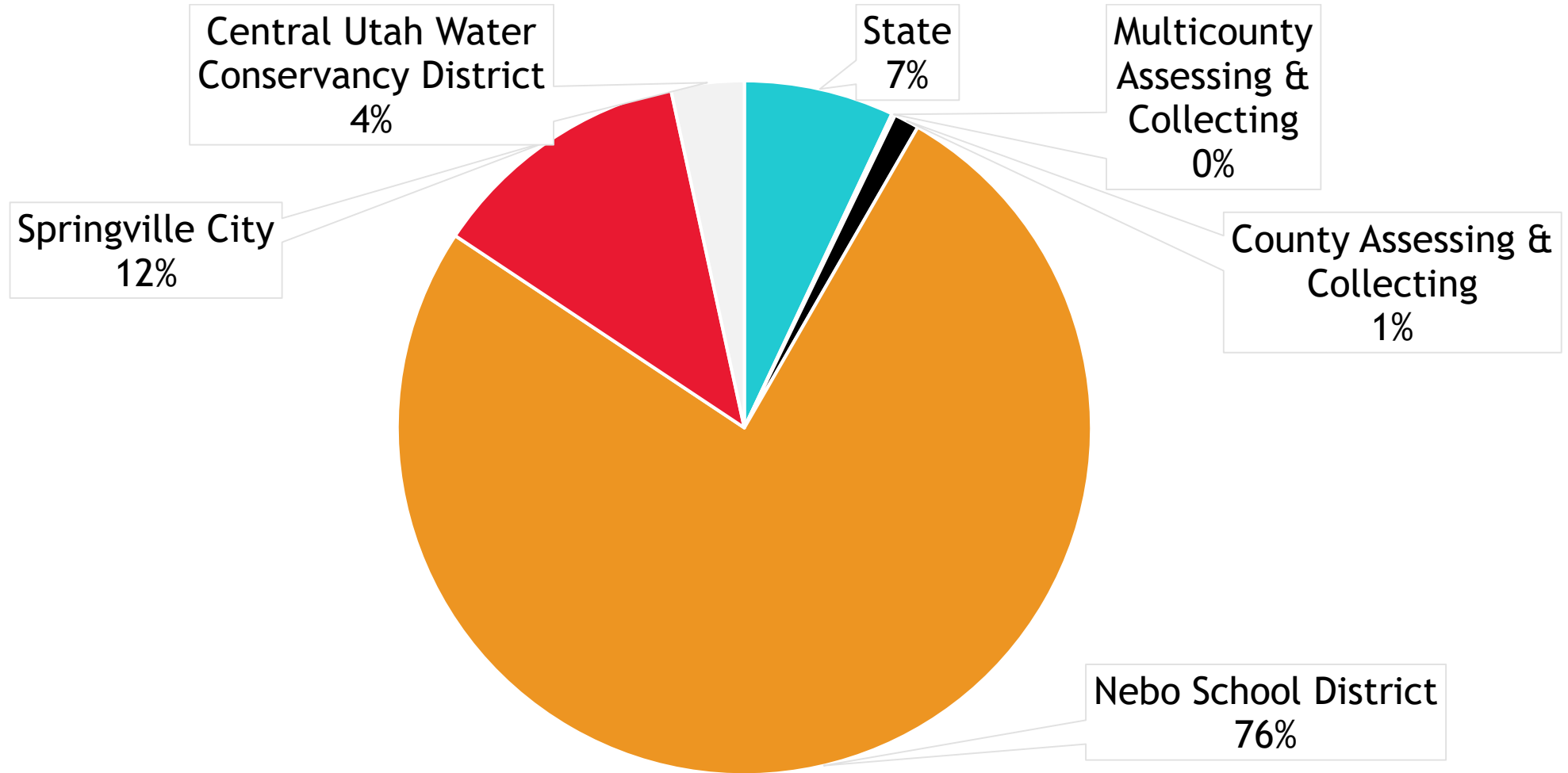
$$\frac{\text{City's Budgeted Tax Revenue}}{\text{Total Taxable Value}} = \text{Tax Rate}$$

$$\frac{\$100,000}{\$100,000,000} = 0.1\% (0.001)$$

$$\frac{\$100,000}{\$110,000,000} = 0.0909\% (0.000909)$$

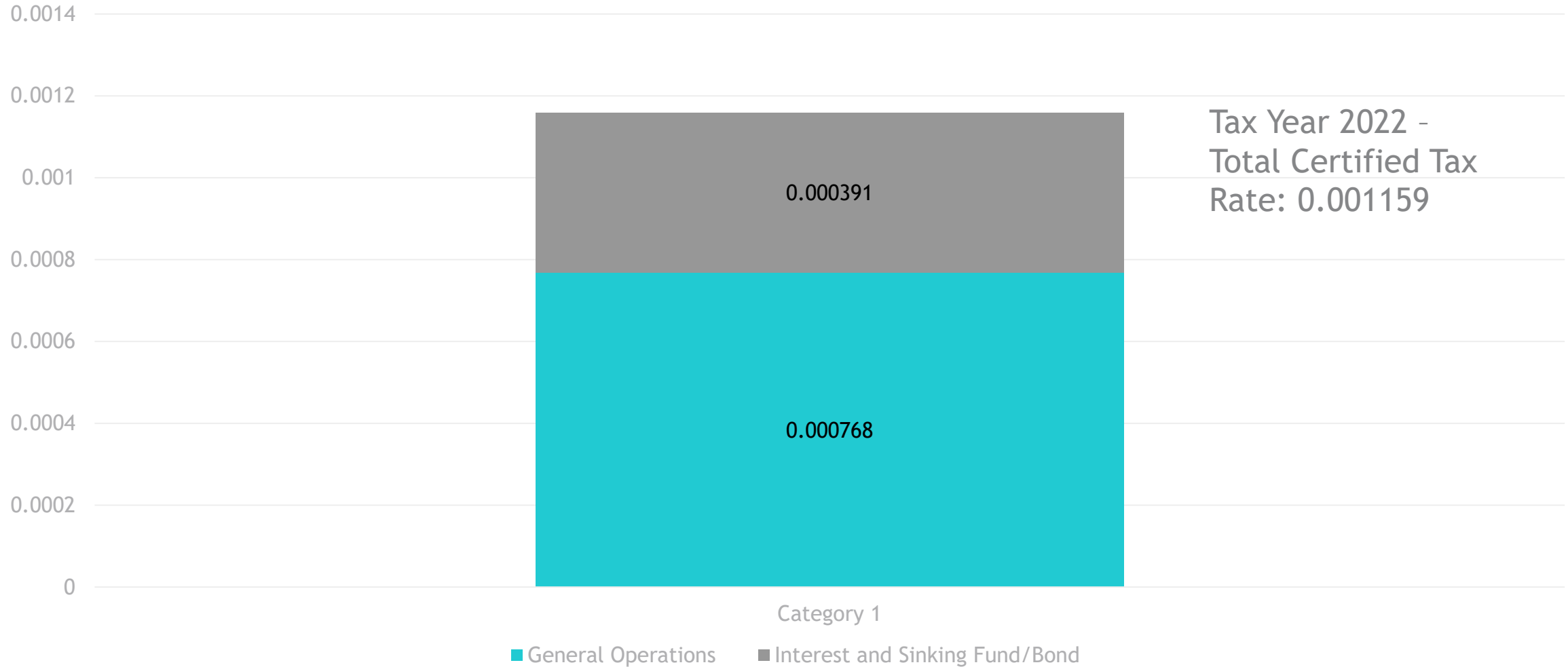


# PROPERTY TAX AREAS





# SPRINGVILLE CITY'S PROPERTY TAX LEVY





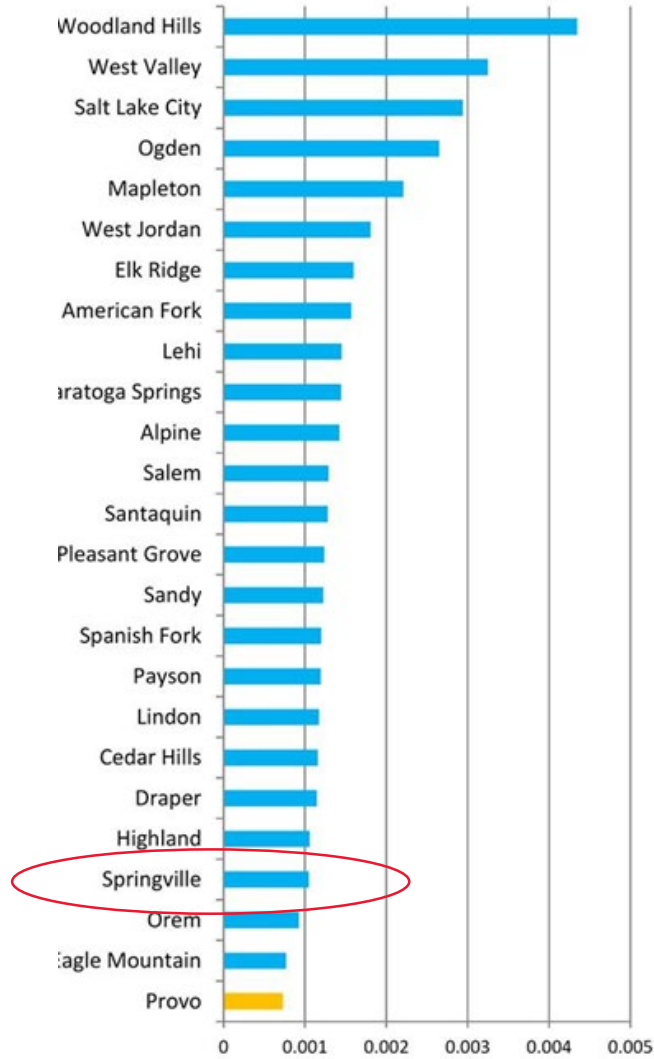
# EXAMPLE

- Resident owns a \$500,000 house
- Taxable value after residential exemption: \$275,000
- Tax bill using 2022 rates
  - \$275,000 x 0.000768 (General Operations) \$211.20
  - \$275,000 x 0.000391 (Interest and Sinking Fund/Bond) \$107.53
  - \$318.73**
- Truth in Taxation increase (6.9%) General Operations component = 0.000821
- Tax bill using 2022 rates with proposed Truth in Taxation increase
  - \$275,000 x 0.000821 (General Operations) \$225.77
  - \$275,000 x 0.000391 (Interest and Sinking Fund/Bond) \$107.53
  - \$333.30**
- Difference: **\$14.57**

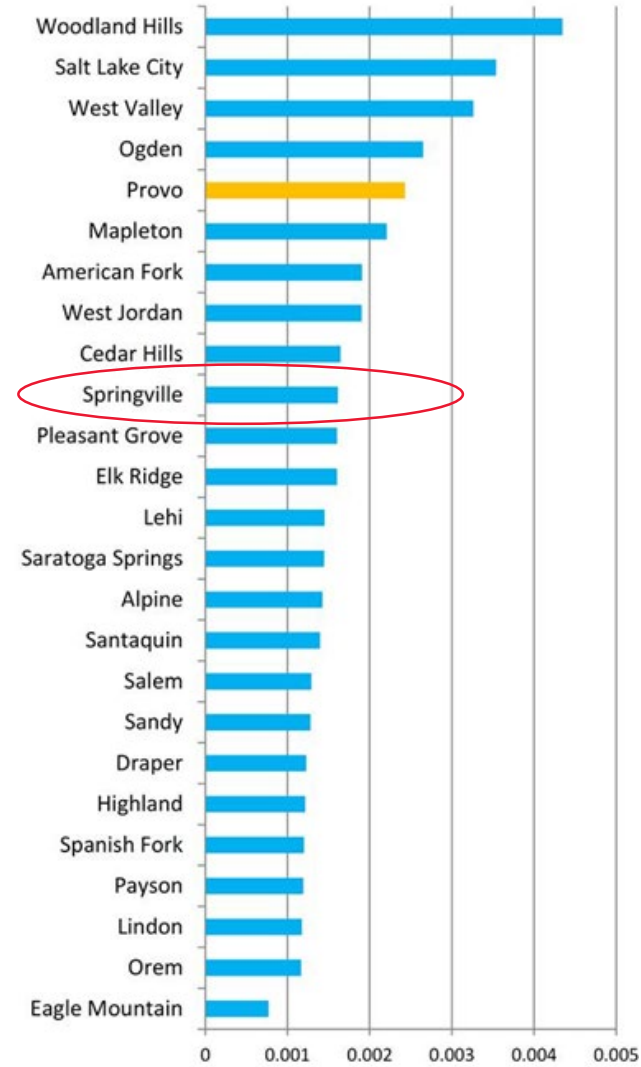


# TAX RATE COMPARISON

### General Operations Tax Rate



### Total Tax Rate





# TRUTH IN TAXATION PROCESS

Date	Action	Requirement
1 <sup>st</sup> meeting in May	Adopt budget	Set public hearing for budget
On or before June 30	Adopt interim budget	6/20 public hearing; adopt interim budget authorizing expenditures starting 7/1 along with fee schedule; notify County Auditor if entity intends to go through Truth in Taxation process
On or before July 30	Auditor	Auditor mails “Notice of Property Valuation and Tax Changes” with TNT hearing date, time and info
2 weeks before TNT hearing	Newspaper ad	Newspaper ad (combined if more than one entity going through TNT)
1 week before TNT hearing	2 <sup>nd</sup> Newspaper ad	Same ad as previous
Public Hearing	Adopt Property Tax Increase and Final Budget	Public hearing after 6pm; resolution sent to Tax Commission if rate increase is adopted; adopt final budget