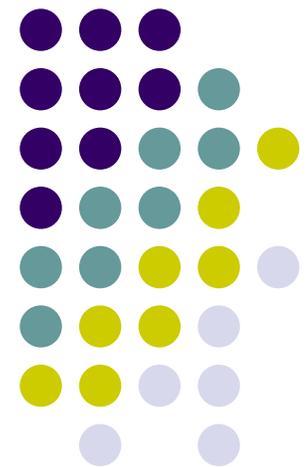
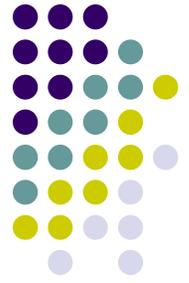


Property Tax Increase

Understanding
2006's property tax increase



Required Advertisement In a Newspaper



- **NOTICE OF PROPOSED TAX INCREASE**
- The City of Spanish Fork is proposing to increase its property tax revenue. As a result of the proposed increase, the tax on a \$200,000 residence will be \$128.04, and the tax on a business having the same value as the average value of a residence in the taxing entity will be \$232.80. Without the proposed increase the tax on a \$200,000 residence would be \$100.10 and the tax on a business having the same value as the average value of a residence in the taxing entity would be \$182.00.
- The 2006 proposed tax rate is 0.001164. Without the proposed increase the rate would be 0.000910. This would be an increase of 28%, which is \$27.94 per year (\$2.33 per month) on a \$200,000 residence or \$50.80 per year on a business having the same value as the average value of a residence in the taxing entity. With NEW GROWTH, this property tax increase and other factors, the City of Spanish Fork will increase its property tax revenue from \$1,036,240 collected last year to \$1,165,654 COLLECTED THIS YEAR WHICH IS A REVENUE INCREASE OF 12.5%.
- All concerned citizens are invited to a public hearing on the tax increase to be held on August 15, 2006 at 6:00 P.M., 40 S Main, Spanish Fork, Utah.

Notice to the Public

- Published twice in **The Daily Herald**. August 2nd & 9th.
- Over 2,400 subscribers in Spanish Fork.
10,000 subscribers in Utah County.



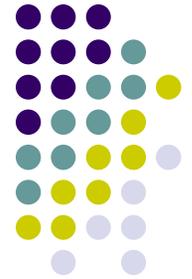


Key words and definitions

- **Valuation** = market value of property.
 - **Tax Rate** = multiplied against valuation.
 - **Tax Revenue** = taxes collected.
-

Property tax formula:

$$\text{Valuation} \times \text{Tax Rate} = \text{Tax Revenue}.$$

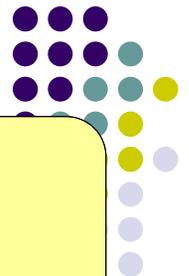


Last Year – Tax year 2005

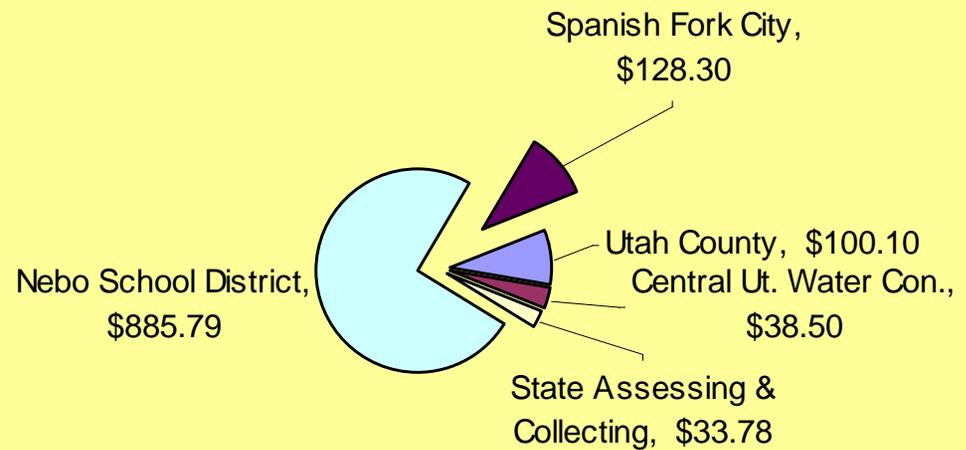
$$\text{Valuation} \times \text{Tax Rate} = \text{Tax Revenue}$$
$$\text{\$ 777,374,651} \times \text{.001333} = \text{\$1,036,240}$$

<u>Purpose</u>	<u>Tax Rate</u>	<u>Tax Revenue</u>
General purpose	.001090	\$ 847,338
<u>Debt Service *</u>	<u>.000243</u>	<u>\$ 188,902</u>
Totals	.001333	\$ 1,036,240





Where does my Property Tax Dollar Go?



Assumptions: tax year 2005

\$175,000 Home Market Value

Total Tax Paid Per Year = \$1,186.47

How Does SF property tax compare to other cities?

(assuming a home with \$ 175,000 market value) Tax Year 2005



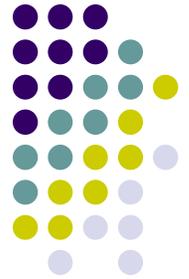
% more
than Spanish
Fork City

City	Tax Rate	Tax Dollars	% more than Spanish Fork City
Provo	0.002891	\$ 278.26	217%
Lehi	0.002663	\$ 256.31	200%
Mapleton	0.002587	\$ 249.00	194%
Pleasant Grove	0.002349	\$ 226.09	176%
American Fork	0.002276	\$ 219.07	171%
Elk Ridge	0.002209	\$ 212.62	166%
Orem	0.002036	\$ 195.97	153%
Santaquin	0.001959	\$ 188.55	147%
Springville	0.001905	\$ 183.36	143%
Lindon	0.001862	\$ 179.22	140%
Salem	0.001593	\$ 153.33	120%
Payson	0.001575	\$ 151.59	118%
Spanish Fork	0.001333	\$ 128.30	100%



Certified Property Tax Rate

- Calculated each year.
- “... the rate which will provide the same amount of property tax revenue as was collected in the previous year.”
- **Valuation** X **Tax Rate** = **Tax Revenue**
- If the valuation goes up the rate goes down if you want to collect the same tax revenue.
- Calculated on the Aggregate (sum) of all properties.



Last Year – Tax year 2005

$$\text{Valuation} \times \text{Tax Rate} = \text{Tax Revenue}$$
$$\$ 777,374,651 \times .001333 = \$1,036,240$$

<u>Purpose</u>	<u>Tax Rate</u>	<u>Tax Revenue</u>
General purpose	.001090	\$ 847,338
<u>Debt Service *</u>	<u>.000243</u>	<u>\$ 188,902</u>
Totals	.001333	\$ 1,036,240

* The Debt Service paid for the Fire Station. Now Paid in Full.



This Year – Tax year 2006

$$\text{Valuation}^* \times \text{Tax Rate} = \text{Tax Revenue}$$
$$\text{\$ 930,672,668} \times \text{.000910} = \text{\$ 847,338}$$

<u>Purpose</u>	<u>Tax Rate</u>	<u>Tax Revenue</u>
General purpose	.000910	\$ 847,338
<u>Debt Service</u>	<u>0</u>	<u>\$ 0</u>
Totals	.000910	\$ 847,338

* Valuation does not include “new growth”. Only re-appraisal.



Factors to consider for 2006

- The Fire Station debt is paid off.
- County Assessor has made changes in the Market Value (Valuation).
 - 2005 average home \$ 175,000.
 - 2006 average home \$ 200,000. (up 14%)
- New City Certified Tax Rate. (Very Low)
- Need for a revenue stream for funding police/court building bond payment.



Goals of the City Council

- Move forward with the police/court building.
- Provide revenue streams for the debt service payment on the new building:
 1. Court Lease Payment.
 2. Property Tax.
 3. Contribution from Electric Fund.
 4. Portion of Cash Reserves.
- City Council wanted the average home to pay the same amount of “City” property tax as last year.

	A	B	C	Formula Bar	D	E	F	G	H	I	J	K	
1		Property Tax Summary											
2		Certified Tax Rate											
3					2006				2005		Difference		
4		Valuation	\$		1,001,420,774			Valuation	\$	777,374,651	\$	224,046,123	
5		Net of Growth	\$		930,672,668								
6													
7					2006				2005				
8		Tax Rate			Tax Revenue			Tax Rate		Tax Revenue			
9	Gen. Purpose	0.001333	\$		1,334,894			0.001090	\$	847,338	Gen. Purpose		
10	Debt Service	0.000000	\$		-			0.000243	\$	188,902	Debt Service		
11		0.001333	\$		1,334,894			0.001333	\$	1,036,240		\$ 298,653	
12													
13					Market Value	\$	200,000			Market Value	\$	175,000	
14					Less	45%	-			Less	45%	-	
15					Taxable Value	\$	110,000			Taxable Value	\$	96,250	
16	Option #1												
17	Gen Purpose	0.000910	\$		911,293	\$	100	0.001333	\$	1,036,240	\$	128	\$ (124,948)
18													
19	Option #2												
20	Gen Purpose	0.001110	\$		1,111,577	\$	122	0.001333	\$	1,036,240	\$	128	\$ 75,337
21													
22													
23	Option #3												
24	Gen Purpose	0.001165	\$		1,166,655	\$	128	0.001333	\$	1,036,240	\$	128	\$ 130,415
25			\$		(255,362)	\$	1,084,234						
26			\$		82,422	Diff							
27	Option #4												
28	Gen Purpose	0.001333	\$		1,334,894	\$	147	0.001333	\$	1,036,240	\$	128	\$ 298,653
29													
30													



PROPERTY TYPE	LAST YEARS MARKET VALUE	THIS YEARS MARKET VALUE
RESIDENTIAL	143,114	161,200
TOTAL PROPERTY VALUE	143,114	161,200

CURRENT AND PROPOSED PROPERTY TAXES

TAXING ENTITIES	TAX LAST YEAR	TAX THIS YEAR IF :		A PUBLIC BUDGET MEETING WILL BE HELD:
		NO CHANGE	PROPOSED BUDGET	
LOCAL ASSESSING	14.01	14.45	14.45	AUGUST 10TH AT 6:00 PM 100 E CENTER, PROVO
MULTI COUNTY ASSESSING	13.62	12.32	12.32	
UTAH COUNTY	81.86	84.14	84.14	
UTAH COUNTY JUDGEMENT LEVY			.98	
CENTRAL UT WATER CONS DIST	31.49	31.65	31.65	AUGUST 15TH AT 6:00 PM 40 S MAIN, SP FORK
NEBO SCHOOL DIST (BASIC)	135.39	134.32	134.32	
NEBO SCHOOL DIST (OTHER)	509.01	636.67	636.67	
SPANISH FORK CITY	104.92	80.68	103.20	
**** TAX ABATEMENTS (CIRCUIT BREAKER, INDIGENT, BLIND, VETERAN) DO NOT APPEAR ON THIS NOTICE. ****				
TOTAL PROPERTY TAX	970.29	994.23	1,017.73	PLEASE READ OTHER SIDE

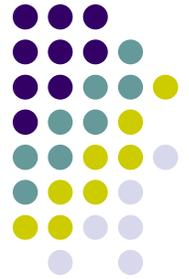
MARKET VALUE OF YOUR PROPERTY

PROPERTY TYPE	LAST YEARS MARKET VALUE	THIS YEARS MARKET VALUE
RESIDENTIAL	159,643	205,800
TOTAL PROPERTY VALUE	159,643	205,800

CURRENT AND PROPOSED PROPERTY TAXES

TAXING ENTITIES	TAX LAST YEAR	TAX THIS YEAR IF :		A PUBLIC BUDGET MEETING WILL BE HELD:
		NO CHANGE	PROPOSED BUDGET	
LOCAL ASSESSING	15.63	18.45	18.45	AUGUST 10TH AT 6:00 PM 100 E CENTER, PROVO
MULTI COUNTY ASSESSING	15.19	15.73	15.73	
UTAH COUNTY	91.32	107.42	107.42	
UTAH COUNTY JUDGEMENT LEVY			1.25	
CENTRAL UT WATER CONS DIST	35.12	40.41	40.41	AUGUST 15TH AT 6:00 PM 40 S MAIN, SP FORK
NEBO SCHOOL DIST (BASIC)	151.02	171.48	171.48	
NEBO SCHOOL DIST (OTHER)	657.04	812.82	812.82	
SPANISH FORK CITY	117.04	103.00	131.75	
**** TAX ABATEMENTS (CIRCUIT BREAKER, INDIGENT, BLIND, VETERAN) DO NOT APPEAR ON THIS NOTICE. ****				
TOTAL PROPERTY TAX	1,082.36	1,269.31	1,299.31	PLEASE READ OTHER SIDE

What can I do about my Valuation?



Adobe Reader - [Property Valuation Notice B-1.pdf]

File Edit View Document Tools Window Help

Save a Copy Search Select 200% Help Search Web Create Adobe PDF online for free!

Pages

sample B

BOARD OF EQUALIZATION INFORMATION

IF YOU DISAGREE WITH THIS YEAR'S MARKET VALUE AND WANT TO FILE AN APPEAL, YOU MUST CALL 851-8228 BEFORE SEP 15 AT 5:00 P.M. AND PROVIDE THE SERIAL NUMBER OF THE PROPERTY WHOSE VALUE YOU WISH TO APPEAL. NO APPEALS WILL BE ALLOWED AFTER THIS DATE. AN APPOINTMENT WILL BE SETUP AND AN APPLICATION WILL THEN BE SENT TO YOU. THE COMPLETED APPLICATION, TOGETHER WITH ALL DOCUMENTATION SUPPORTING THE VALUE YOU THINK IS APPROPRIATE MUST BE BROUGHT WITH YOU TO YOUR HEARING AT 100 E CENTER, SUITE LL 900, PROVO, UT 84606.

VALUE OF YOUR PROPERTY

PAST YEARS MARKET VALUE	THIS YEARS MARKET VALUE
143,114	161,200

8.50 x 11.00 in 1 of 1 Previous View

start Mozilla Property Tax Inc... Microsoft Excel - ... Property Valuatio... Property Valuatio... 12:51 PM



Who to call?

- Utah County – Board of Equalization.
- 851-8228
- Before September 15 at 5:00 p.m.
- Need serial number of the property whose value you wish to appeal.



Conclusions

- The “**City Certified Tax Rate**” has declined again this year.
- Spanish Fork City has one of the lowest tax rates in the state of Utah.
- Fire Station bond is now paid off.
- Need revenue stream for paying for the new Police/Court Building.
- The Certified Tax Rate is set using the Aggregate Valuation and the Aggregate taxes collected.
- Goal of having the “average home” not pay anymore this year than last is reached with Option #3.

The End

