



Fruit Heights City

# Truth In Taxation

## 2020 Public Hearing

# Property Taxes Explained

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Property taxes can be a **difficult** and **frustrating** topic to understand.

For that reason, we want to provide a brief explanation and a few facts about property taxes in Fruit Heights.



# Property Taxes Explained

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What is **Property Tax**?



# Property Taxes Explained

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## Who Determines My Property Value and How Much I Pay?

The County Assessor determines the value of your home.

In Utah, there is a **45% exemption on primary residential properties**, so homeowners only **pay taxes on 55% of the assessed value of their home.**

If the County Assessor determines the value of a home is \$200,000, the owner pays taxes on that property as if it were worth \$110,000 (55% of the value). Commercial properties and second homes are assessed taxes on 100% of the value.

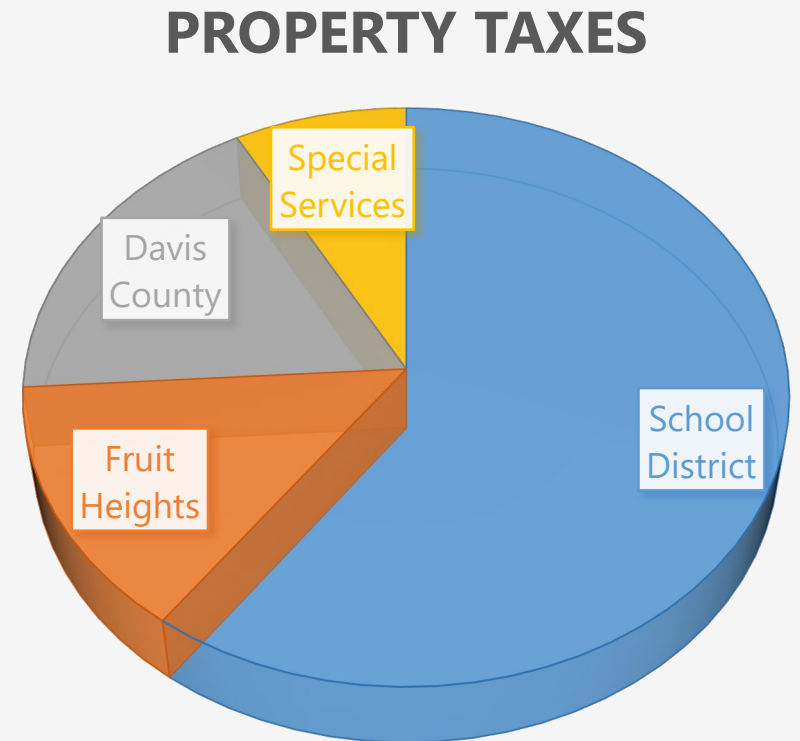


# Property Taxes Explained

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## Where Do Your Property Taxes Go?

- 1 60% - **About 60% go to the Davis County School District**
- 2 40% - The remaining 40% is divided between **Davis County, Fruit Heights City and the Special Service District**



# Where Do Your Property Taxes Go?

## Fruit Heights Residents

- State Charter School 0.70%
- Mosquito Abatement 0.90%
- Weber Basin Water Dist. 1.23%
- Central Davis Sewer Dist. 1.35%
- Fruit Heights City 15.21%
- Davis County 18.29%
- Davis School District 62.23%



# Property Taxes Explained

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## How Does Fruit Heights City Use my Property Tax Money?

Money collected from property taxes goes into the city's general fund which pays for government services such as:

### Fruit Heights General Fund Expenditures

- Davis County Sheriff
- Kaysville Fire
- Parks
- Road Maintenance & Construction
- Snow Removal
- Sidewalk, Curb and Gutter Maintenance

# Property Taxes Explained

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## How Does Fruit Heights City Use my Property Tax Money?

In fiscal year 2020, Fruit Heights City will receive about **\$920,000** in general fund property tax revenue. These **property tax revenues cover only a fraction of what the city needs to provide services.**

**Sales and use taxes, grants, fines and user fees** cover the rest of the city's general costs. Collectively, these funding sources enable the city to provide necessary services to Fruit Heights City residents.



# Property Taxes Explained

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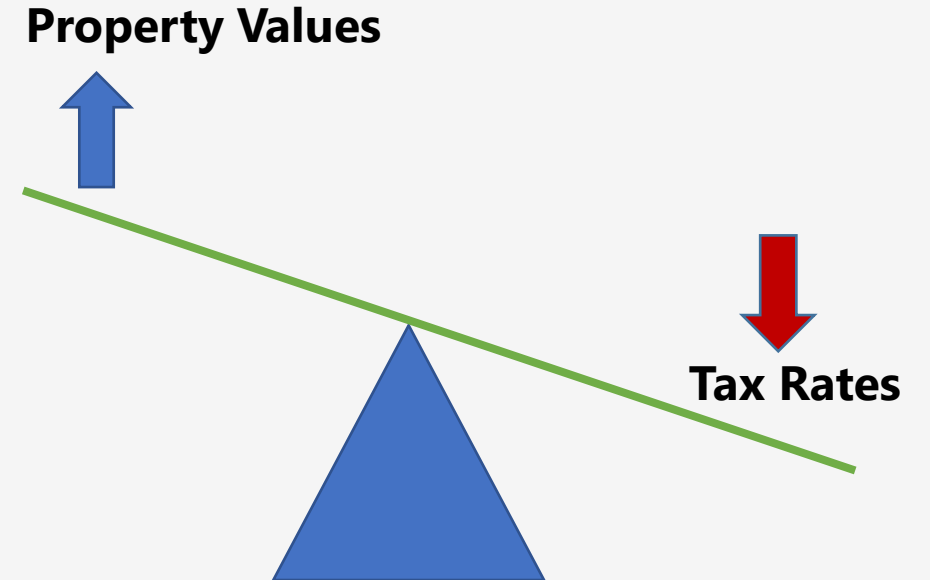
## Increase In Home Value Doesn't Mean Increase in Property Tax

The Davis County Auditor determines the **Certified Tax Rate** based on the previous years assessed valuations across the entire city and the amount of property tax received.

**The tax rate changes as needed to guarantee cities earn the same revenue for their budget as the year before.**

Revenue is limited to the previous year's budget, plus any new growth in the county.

**As property values go up, the tax rate goes down.**



# Property Taxes Explained

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## Certified Tax Rate Will Fluctuate

The tax rate will go up or down as needed to arrive at that "**same amount of tax**" figure, which will give the city a dependable, steady stream of revenue, matching that of the year before.

**2018**

Property Value: \$445,477

Rate: .002027



*Property Example*

**2019**

Property Value: \$479,390

Rate: .001887

# Truth in Taxation

The only way a city can get more property taxes than allowed by the *certified tax rate* is to **hold a Truth in Taxation public hearing** and make a case for a tax increase. The city must do the following:

- Publish an advertisement in the newspaper, and a public hearing must be held
- State the estimated increase in property taxes that would be realized by the homeowner

Enacted in 1985,  
Truth in Taxation is  
Utah's most  
taxpayer-friendly  
law.



# What An Increase Means To Fruit Heights Residents



The Fruit Heights City tax on a \$481,000 residence would increase from \$480.95 to \$515.87, which is **\$34.92 per year**.



The Fruit Heights City tax on a \$481,000 business would increase from \$874.46 to \$937.95, which is **\$63.49 per year**.



If the proposed budget is approved, Fruit Heights City would increase its property tax budgeted revenue by **7.23% above last year's property tax** budgeted revenue excluding eligible new growth.

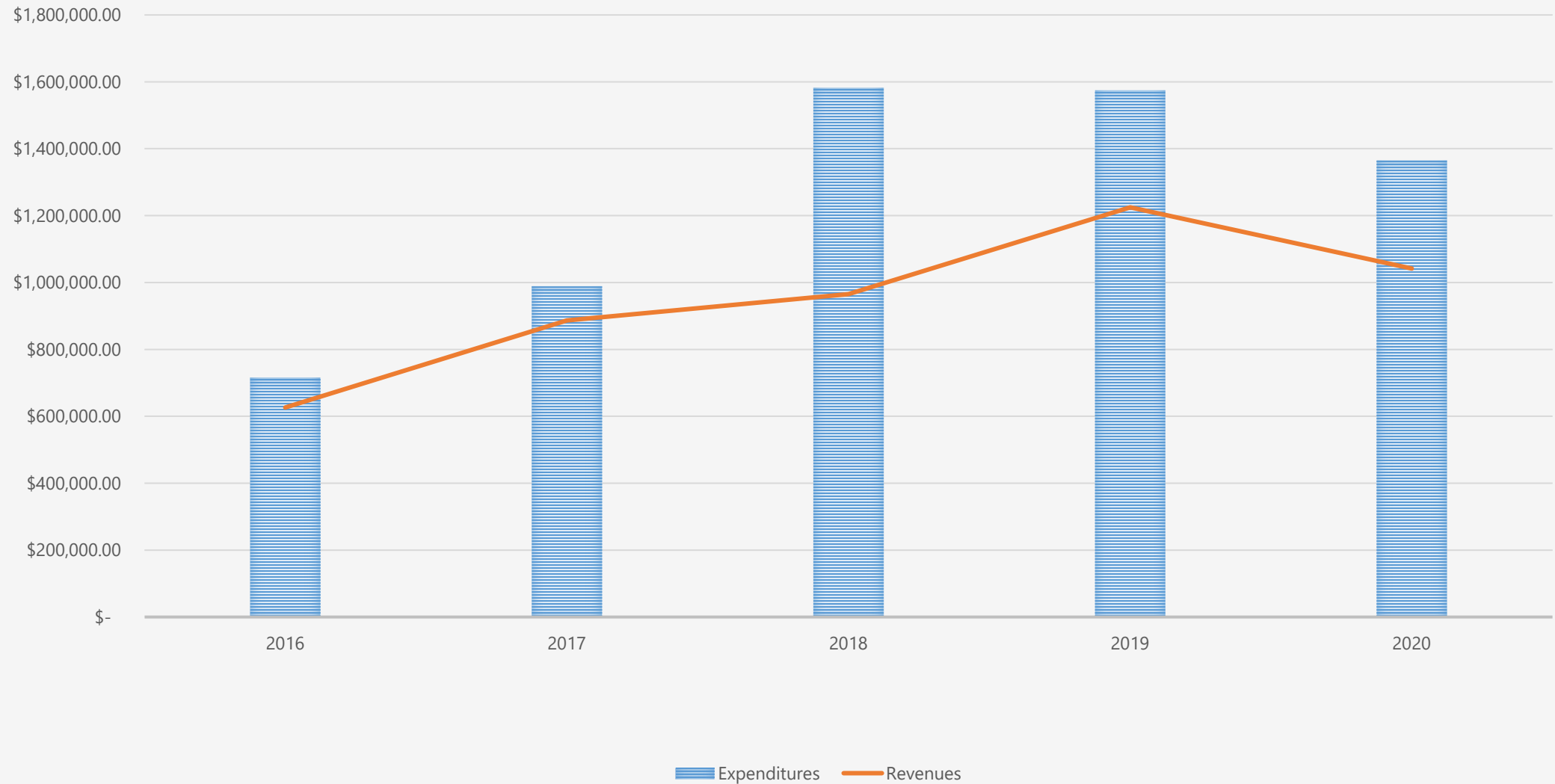
# Truth in Taxation

TRUTH IN  
TAXATION



Informational Video - <https://www.youtube.com/watch?v=J1zbbxrtwi0>

# History of Expenditures and Revenues



# Proposed Increase Will Support the Following Projects

## Cost Projections for the Next Three Years

**1 Street Rebuilds**  
\$960,000.00

**2 Sidewalk Maintenance**  
\$35,000.00

**3 Street Mill & Overlay**  
\$510,000.00

**4 Street Chip Seal**  
\$50,000.00

**5 Street Slurry Seal**  
\$50,000.00

**6 Street Crack Seal**  
\$50,000.00

**7 Curb & Gutter Maintenance**  
\$55,000.00

**8 Storm Water Maintenance**  
\$340,000.00

**9 Water Line Maintenance**  
\$70,000.00

**10 Street Light Maintenance**  
\$28,000.00



# What Happens Next?



**DISCUSSION:** The Mayor and City Council are here tonight to discuss the proposed increase, and what questions and concerns you may have regarding the changes.



**CONSIDERATION:** Email questions to your Mayor and City Council at [citycouncil@fruitheightscity.com](mailto:citycouncil@fruitheightscity.com).



**DECISION:** A vote on the proposed increase will occur next week at the City Council Meeting Tuesday, August 18, 7 pm, Fruit Heights City Building.