

# Tax Rate

FY 2022-2023

# What is the Certified Tax Rate

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- The certified tax rate is Last Year's Tax Collection / Current Assessed Values adjusted for Growth
- The assessed value of a home is multiplied by the taxing entities certified tax rate to determine the amount of tax paid to that entity
- This tax rate structure is determined by the Utah State Legislature. The City has no authority to tax differently



- The certified tax rate does not allow the City to capture additional revenue when home values increase
- If a tax payer's home value increases more than others in the taxing group (i.e. commercial or personal property) the home owner may pay more but the others will pay less. The City does not receive the additional funds paid by the tax payer for their increase in value.
- The City only receives additional funds (excluding new growth) by going through Truth in Taxation
- New homes are part of an entities new growth each year but increased costs for new growth offset any additional revenue
- Property taxes are part of the general fund and are not used for enterprise fund items such as water, sewer, storm drain and roads.

## TAX RATE INCREASES

TAX YEAR	CERTIFIED TAX RATE	ADOPTED TAX RATE	% INCREASE FROM CERTIFIED RATE
2015	.002203	.002203	-
2016	.002030	.002030	-
2017	.001938	.001938	-
2018	.001831	.003334	82%
2019	.003024	.003205	6%
2020	.003051	.003051	-
2021	.002763	.002763	-
2022	.002009	.002411	20%

\*Initially 114%

**\*Total increase since 2015 = 9.4%**

2109 Adopted Rate: .003205  
 2022 Certified Rate: .002009  
 = 37% Decrease in Rate

# Proposed Tax Rate

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- The proposed tax rate of .002411 will bring in an additional \$1,148,827 over the certified tax rate amount
- If no increase is adopted the certified tax rate will bring in additional revenue of approximately \$100,000 over what we received in FY22



# Where will the Increase Go?

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- The increase will be used to fund increases including:
    - Increase in pay for public safety approved in FY22 due to very competitive and quickly changing compensation in law enforcement: \$690,000
    - Implement fire study recommendations in fire department: \$232,000
    - Fire station needed for north end of city: \$441,000
- \$1,363,000

# Grants

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- Since July 2020 Tooele City has received \$1,355,000 in grant funds
- The City is currently working with State departments and with our Congressional Office to secure additional grant funds
- While no grants are available to help with the construction of the fire station we are working on grants for equipment for the station

# Fire Station

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- The independent fire study has recommended the need for a fire station on the north end of the City
- We will begin the design phase of the fire station and will use impact fees towards this process. One year's payment will be saved for escrow
- Our volunteer department saves us millions each year
- Having the items that are required to meet certain ISO ratings affects our residents not only in their safety but also on their home insurance rates



# Proposed Tax Rate

## Median Value of \$390,000

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- Tax Rate Mailed out on Tax Notice

- .002763
- \$162 per year over the certified rate
- \$13 per month increase over certified tax rate

- Tax Rate now Proposed

- .002411
- \$86 per year over the certified rate
- \$7 per month increase over certified tax rate

**\*Residential tax payer will see higher amount due to increase in value**

**\* Some others may see reductions**