



Fruit Heights City

Truth In Taxation 2024

Learn About Proposed Increase

Property Taxes Explained

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

What is **Property Tax**?



Informational Video - https://www.youtube.com/watch?v=1T4O_yv_8Mc

Property Taxes Explained

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**.

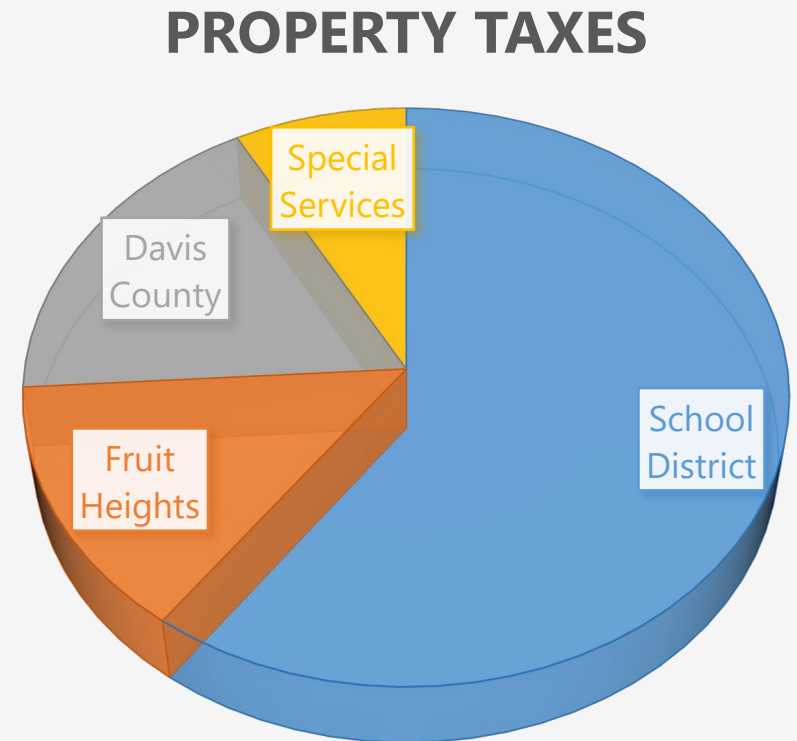
If the County Assessor determines the value of a home is \$200,000, the owner pays taxes on that property as if it were worth \$110,000 (55% of the value). Commercial properties and second homes are assessed taxes on 100% of the value.



Property Taxes Explained

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

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
- Farmington Fire
- Parks
- Road Maintenance & Construction
- Snow Removal
- Sidewalk, Curb and Gutter Maintenance

Property Taxes Explained

How Does Fruit Heights City Use my Property Tax Money?

Without an increase, Fruit Heights City will receive about **\$1,180,000** in general fund property tax revenue for fiscal year 2024. With the proposed increase, Fruit Heights City will receive about **\$1,400,000**. 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 also contribute to the city's general fund. Collectively, these funding sources enable the city to provide necessary services to Fruit Heights City residents.

Property Taxes Explained

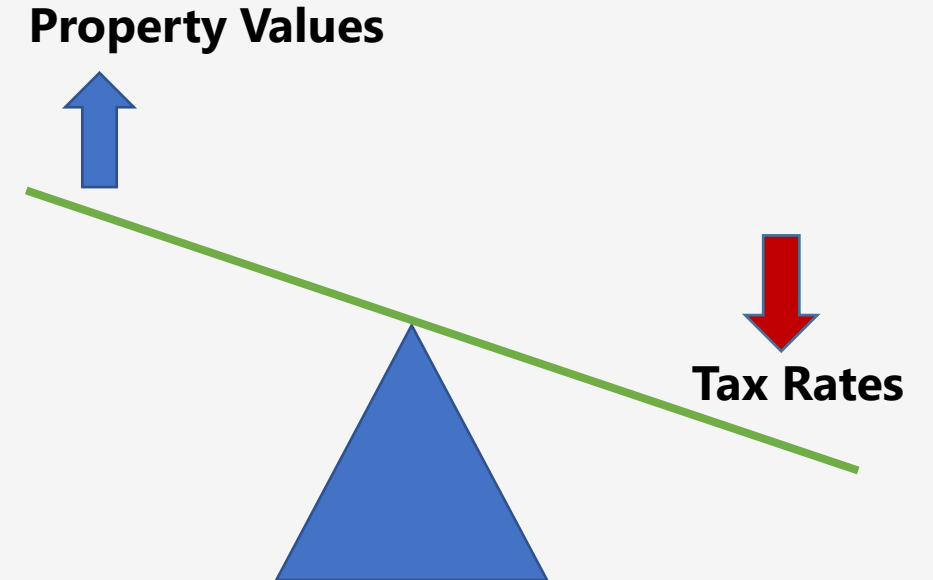
Increase In Home Value Doesn't Mean Increase in Property Tax

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

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

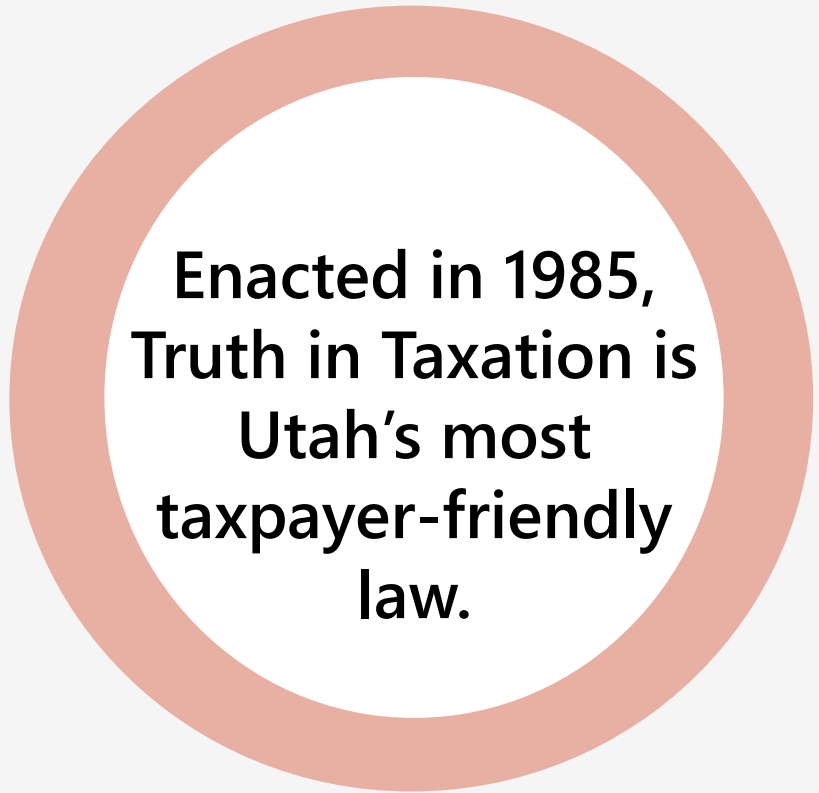
Rate: .001887



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 \$737,000 residence would increase from \$619.78 to \$725.17, which is **\$105.39 per year**.



The Fruit Heights City tax on a \$ 737,000 business would increase from \$1,126.87 to \$1,318.49, which is **\$191.62 per year**.



If the proposed budget is approved, Fruit Heights City would increase its property tax budgeted revenue by **17.09% 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=J1zbbrxtwi0>



What Happens Next?



DISCUSSION: The Mayor and City Council will hold a Truth in Taxation hearing on **Tuesday, August 6, 2024, at City Hall** 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.



DECISION: A vote on the proposed increase will occur following the hearing.