



FREQUENTLY ASKED QUESTIONS

QUESTION: Why is the City raising my taxes?

Property taxes in Pleasant Grove have not been raised in over 35 years. Through prudent fiscal planning and the efficient use of public funds, the City has maintained high quality services while keeping the tax burden low for residents and businesses. The City is considering a small property tax increase to fund public safety and emergency services, as well as critical road maintenance.

QUESTION: How much money will the proposed property tax generate?

The proposed increase would generate approximately \$650,000 in revenue each year.

QUESTION: How much will my property taxes go up?

The cost to the average household would be approximately \$4.50 per month.

QUESTION: How will the increased revenues be used?

To reduce response times for emergency services, provide life-saving care and responsibly maintain safety and security in the community, the City is considering hiring two more full-time police officers and two more full-time firefighters. The City currently has 28 police officers and 15 full-time firefighters. This is well below the average for neighboring cities.

In addition, the City is considering using approximately \$250,000 for critical road maintenance to improve vital infrastructure and reduce the long-term costs of road repair.

QUESTION: What is a Certified Tax Rate?

When property valuations increase or decrease, property tax rates change to maintain revenue neutrality. This revenue-neutral rate is called the certified tax rate. This rate is then applied to all properties, including new residential and commercial developments. In fact, while the City is considering what will result in a property tax increase to residents, the tax *rate* itself has decreased by 50% in the last ten years.

QUESTION: How are my property taxes calculated?

The value of your home or business property is determined by the Utah County Assessor, not Pleasant Grove City. Property values change regularly. The market itself drives property values and throughout the year, as homes sell, some areas go up in value, some go down, and others do not change at all.

The Utah County Assessor uses market-based information to value each property. Some property values may change dramatically in a single year, while other property values may change little in a given year. The following year, the reverse may be true.

QUESTION: What are Primary Residential Properties Exemptions?

Homeowners only pay taxes on 55% of the assessed value of their home. In Utah, there is a 45% exemption on primary residential properties. So, if the Utah County Assessor determines that the value of a home is worth \$350,000 and that home is the primary residence for someone, the owner would pay taxes on that property as if it were worth \$192,500 (55% of the full value).

Commercial properties and second homes are assessed taxes on 100% of the value.

QUESTION: Is the City responsible for all the property taxes I see on my annual notice from Utah County?

No. The city portion of property tax is a relatively small amount of your overall bill. Under Utah State law, local government entities may apply and collect a property tax. Local entities such as school districts, counties, cities, and special service districts are all responsible for levying their own taxes. The average property tax bill a Utah taxpayer receives includes payments for all these entities, not just the city or town where they reside.

QUESTION: What is Truth and Taxation?

Truth in Taxation is the name for a process established by the Utah State Legislature where city and county governments and school districts are required to hold a public hearing and inform taxpayers of increases prior to the city council voting on them.

Utah State Law requires that property tax rates automatically adjust when property values increase or decrease so that the amount of money the city receives is the same from year to year. The laws are designed to keep property owner's tax burden at a constant level from year to year unless the city council votes to increase the tax through a public process.

QUESTION: Who can I contact if I have more questions about my property tax?

There are several resources available to you if you have questions about your property tax. Scott Darrington is the Pleasant Grove City Administrator. Please feel free to contact him via phone at 801-785-5045 or via email at sdarrington@pgcity.org. In addition, the Utah County Assessor's Office can be a great resource for questions about other aspects of your property tax bill that are not city related. Their phone number is 801-851-8244.