

NOTICE OF PROPOSED TAX INCREASE

Santaquin City

The Santaquin City is proposing to increase its property tax revenue.

-The Santaquin City tax on a \$160,400 residence would increase from \$163.47 to \$326.94, which is \$163.47 per year.

-The Santaquin City tax on a \$160,400 business would increase from \$297.22 to \$594.44 which is \$297.22 per year.

-If the proposed budget is approved, Santaquin City would increase its property tax budgeted revenue by 99.01% above last year's property tax budgeted revenue excluding new growth.

Santaquin City property tax revenue from new growth and other sources will increase from \$458,643 to \$923,274.

All concerned citizens are invited to a public hearing on the tax increase.

PUBLIC HEARING

Date/Time: 8/7/2013 7:00 PM

Location: City Council Chambers
45 West 100 South
Santaquin

Note that the address above is corrected from the address printed and mailed on the valuation notice. Date/time of the hearing has not changed.

To obtain more information regarding the tax increase, citizens may contact Santaquin City at 801-754-3211.

EXPLANATION OF SANTAQUIN CITY

PROPOSED TAX INCREASE

The Santaquin Mayor & Council want your input as they consider a property tax increase to fix deteriorating roads.

How will the proposed tax increase be used?

The proposed increase will generate \$464,631 annually for road maintenance/improvements.

How do I know that this money will be used on roads?

The Santaquin City Council will create a new "Road Improvement Fund" which would be different from the city's "General Fund". All road related city income, like *Utah State gas tax funds (known as "Class-C Road Funds")* as well as the proposed tax increase will be placed in the new fund. Money in the fund will be spent by the road department on road maintenance, improvements, and operations.

Will my total tax bill go up by 99.01%?

No. Currently 13.8% of your total tax bill is allocated to Santaquin City. The remaining 86.2% goes to the Nebo School District, Utah County and other taxing entities. Your total residential property tax bill will increase by approximately 13.8% or roughly one dollar for every one-thousand dollars of taxable value of your home (e.g. taxes on a \$150,000 home will increase by \$150/year; a \$200,000 home will increase \$200/year).

When was the last time Santaquin City raised property taxes?

The city has not raised property taxes in over 25 years. Currently Santaquin City has the 18th lowest property tax rate of the 25 municipalities in Utah County. Santaquin City's current tax rate is 19.03% lower than the average of all Utah County municipalities.

Does the city currently have any Road Debt?

No. In 2012, Santaquin City paid-off a 10-year road bond and reallocated the debt payment for that bond into the road maintenance budget. This influx of 79% more money into the road maintenance budget allowed the city to complete some much needed road maintenance in 2012-2013 which was very well received by our citizenry.

Possible Increase	New Revenue	Impact on City Roads
100%	\$464,631	Significant Improvements
75%	\$348,473	Some Improvement
50%	\$242,316	Maintains Existing
25%	\$121,158	Continue To Decline - Slowly
0%	\$0	Continue To Decline - Rapidly

BY THE NUMBERS:

57.09 Miles of Santaquin Road
\$100,000 Cost to Repave 1 Mile
\$315,265 Current Annual Road Budget
\$464,631 Proposed Increase
Roads should be resurfaced every 7-10 years

Will the city bond for roads?

There are benefits and drawbacks to bonding for road improvements. Bonding allows for a greater amount of the roads to be improved upfront. However, bonding would create interest costs and increase the city's overall debt load. The decision to bond will be considered in future meetings.