

Midvalley Improvement District Summary of Property Tax Rates and Property Tax Uses

Property Tax Rates

Property Tax Rate - Midvalley Improvement District (the District) has not raised its property tax rate since implementing the property taxes in 2007. Some of our citizens have noticed on their property tax notices, from Salt Lake County (the County), that their property tax rates have fluctuated up and down over the years. This is because the certified tax rate is recalculated every year by the County.

Property Tax Law - Utah law prescribes how property taxes are levied and collected. In June of each year, the Board of Trustees sets the certified tax rate (calculated by the County). The certified tax rate is the rate which will provide the same amount of property tax revenue as was charged in the previous year, excluding the revenue generated by new growth. All property taxes levied by the District are assessed and collected by Salt Lake County. Taxes are attached as an enforceable lien as of January 1, are levied as of October 1, and are due November 30.

Certified Tax Rates - Utah State law prohibits the District from receiving a windfall from an increase in the property value, so as property values increase, the “certified rate” or the rate that the District can impose without a public hearing, decreases, guaranteeing the District the same amount of revenue from property taxes that was received the previous year, plus an allowance for any new growth that may have occurred within the District’s boundaries. If the District were to change the tax rate beyond the certified rate, the District is required by law to have a Truth in Taxation public hearing.

Over the years, as the property values have increased, the certified tax rate has decreased, and conversely as property values have decreased, the certified tax rate has increased. For individual residents, this means that as their property values increase, the property taxes paid remains the same.

Property Tax Revenue - The District continues to receive about the same amount of funds from property tax, with some residents paying more and some paying less, depending on those property valuations. The District reinstated the collecting property taxes in 2007. Because the certified rate does not adjust for inflation, over time the District has considerably less ability to fund sewer services through property taxes, and this was one of the factors why the District has done several sewer service fee rate increases over the past several years.

The District expects the property tax revenue to increase slightly as the District is approximately 98% built-out and does not anticipate significant new growth.

Uses of Property Tax Revenue

All of the property tax revenue is used solely for sewer operations and maintenance. The District was organized as a Local District, under the rules of the State of Utah, that operates and maintains a sewage collection system and participates in a wastewater treatment plant with other governmental entities.