

**Information regarding the City's proposed tax increase
for fiscal year 2008-2009**

The City of Saratoga Springs is proposing to increase its property tax rate from the existing rate of 0.000933 up to 0.002458. It is projected and intended that the City will be able to generate up to \$2,068,370 during the fiscal year 2008-09 which begins on July 1, 2008. This is an increase in City revenue of \$1,463,590.

The following table shows what one might expect to pay in property taxes, depending upon their valuation of property:

Market Value	Taxable Value (55% of market value)	Existing Annual Property Tax	Proposed Annual Property Tax	Projected Annual Increase	Projected Monthly Increase
\$150,000	\$82,500	\$76.97	\$202.79	\$125.81	\$10.48
\$200,000	\$110,000	\$102.63	\$270.38	\$167.75	\$13.98
\$250,000	\$137,500	\$128.29	\$337.98	\$209.69	\$17.47
\$300,000	\$165,000	\$153.95	\$405.57	\$251.63	\$20.97
\$350,000	\$192,500	\$179.60	\$473.17	\$293.56	\$24.46
\$400,000	\$220,000	\$205.26	\$540.76	\$335.50	\$27.96
\$450,000	\$247,500	\$230.92	\$608.36	\$377.44	\$31.45
\$500,000	\$275,000	\$256.58	\$675.95	\$419.38	\$34.95

The principal reason for the tax increase proposal for this year is to continue to provide public services in the face of declining revenues. The City has had a decrease in general fund revenue mostly due to a slowdown of development activity in the past several months.

The City has taken many steps to decrease its spending including, but not limited to, laying off employees, drastically decreasing department expenditures, eliminating optional programs and freezing wages and hiring for the next twelve months. You may notice decreases in some services, but the City will make every attempt to continue to provide good quality services.

The City's proposed annual budget, together with many other budget resource materials and explanations may be viewed at the following link: www.saratoga-springs.net/government/budget/

Commonly asked questions regarding property tax

1) How is my property tax obligation to the City calculated?

Every year the City goes through the budget preparation process by reviewing and projecting its revenues and expenses. During the course of that process, the City establishes how much revenue it needs from property taxes and adopts a revenue amount. That amount of money is then given to Utah County and the County determines what the City's tax rate must be in order to generate this revenue on our behalf. The actual tax rate is prepared by analyzing all taxable value within Saratoga Springs and then performing a series of calculations that will generate the proposed amount of property tax revenue. Further information on the County's role may be obtained at their website: www.co.utah.ut.us

2) What portion of my total property tax bill goes to the City?

Various taxing agencies collect property tax in Saratoga Springs and they all have variable tax rates. In 2007, the City's portion of the property tax was an estimated 10% of the total property tax obligation in tax district 39 which covers Saratoga Springs. Other taxing agencies on your bill include the Alpine School District (76%), Utah County (11%) & the Central Utah Water Conservancy District (3%).

3) If my property value increases, do I pay more property tax?

Not necessarily. There are two ways that your property tax obligation will increase. First, the City can increase its tax rate as is currently proposed. In that case, the City is required to conduct a "truth-in-taxation" public hearing and allow public input on the proposed tax increase.

The second way taxes increase is when a home increases in value more than the average increases experienced by other similar properties. Sometimes this can be due to special characteristics of property such as lakefront property or hillside view property that tend to increase in value in different ways. So, if property values increase in Saratoga Springs faster than in other areas or if an owner makes improvements to a property that increase its relative value (like additions or finishing space within a dwelling), then property taxes can increase without the City proposing to raise tax rates.

Generally, property taxes are calculated such that if property values stay the same, then the dollar amount of property tax due each year is approximately the same.