

Utah Budget & Finance in a Mayor/Council form of Government



Align and Shine: Creating Transparent Budgets that Reflect Policy Goals – With a focus on Council’s Legislative Authority



Sandy City, Utah

April 28, 2026

TONIGHT'S AGENDA:

- Council Powers and Duties in a Mayor/Council Form of Government
- What is a Budget
- What is Budget Policy
- How does a community establish budget policy
- Budgeting basics and resources
- Deep Dive: The Utah Municipal Budget Process
- Deep Dive: Monitoring the Budget
- Deep Dive: Municipal Revenue
- Deep Dive: Utah Property Tax 101
- Deep Dive: Truth in Taxation



LEARNING OBJECTIVES

- Deepen understanding of the Council's role in a Mayor/Council form of government
- Explore tools for Council fiscal and policy oversight
- Deepen understanding of the municipal budget process, fund budgeting, and the Council's role
- Deepen understanding of revenue planning with a special emphasis on property tax



Council Powers and Duties in the Mayor/Council form of government



Council Powers and Duties in the Mayor/Council form of government

- Powers of the Council found in Title 10, Chapter 3b, Part 2 of the Utah Code
- History – *Martindale vs. Anderson*
 - Separate co-equal branches of government
 - Policy Making vs. Policy Execution

Council Powers and Duties in the Mayor/Council form of government

- Authority
 - ✓ Set general policy for the city
 - ✓ Enact laws – *State v. Hutchison*
 - ✓ Appropriate Funds
 - ✓ Review of municipal administration
 - ✓ Advice and consent on hiring department heads
- Limitations
 - ✓ Cannot act individually, only power is when acting as a body
 - ✓ Interfere with day-to-day city operations
 - ✓ Give orders to city employees
 - ✓ Cannot hire or fire city staff and department heads

WHAT IS A BUDGET?



A Financial Plan

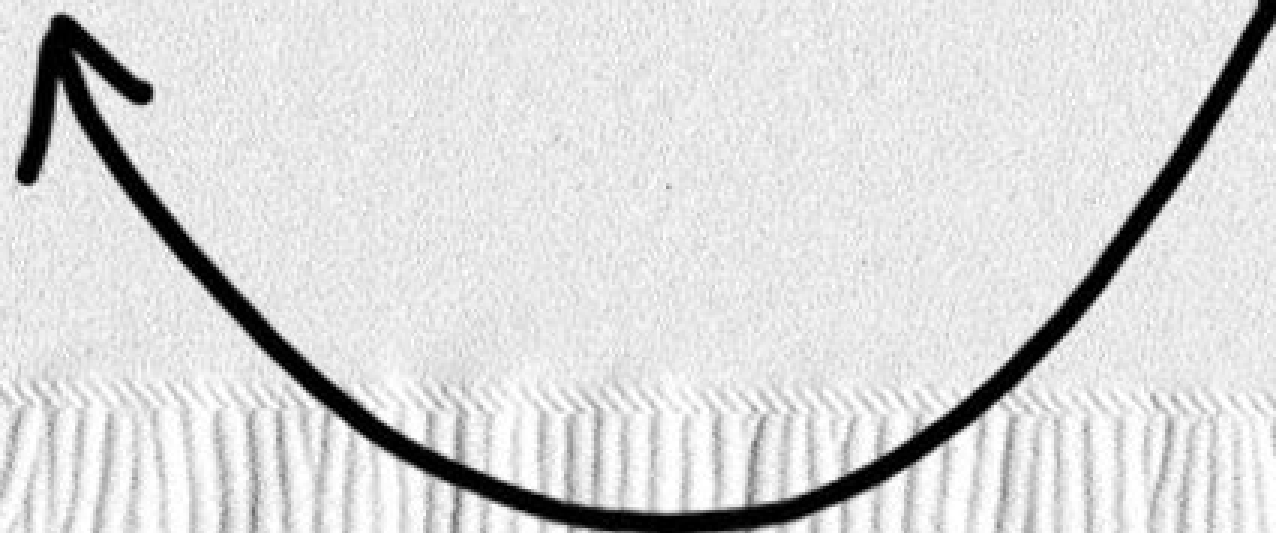
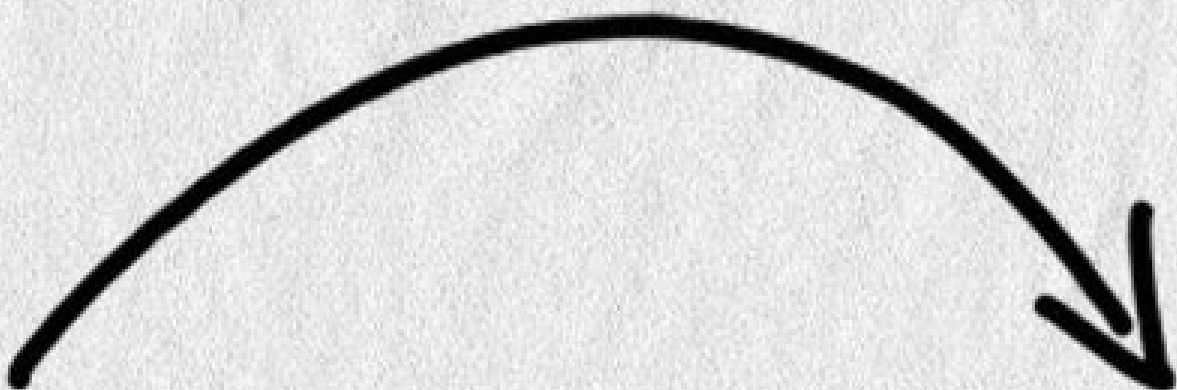
But more importantly...

A revenue and expense plan to help you meet your goals.

In most communities, including Sandy, the total municipal budget includes several funds.

YOUR
VALUES

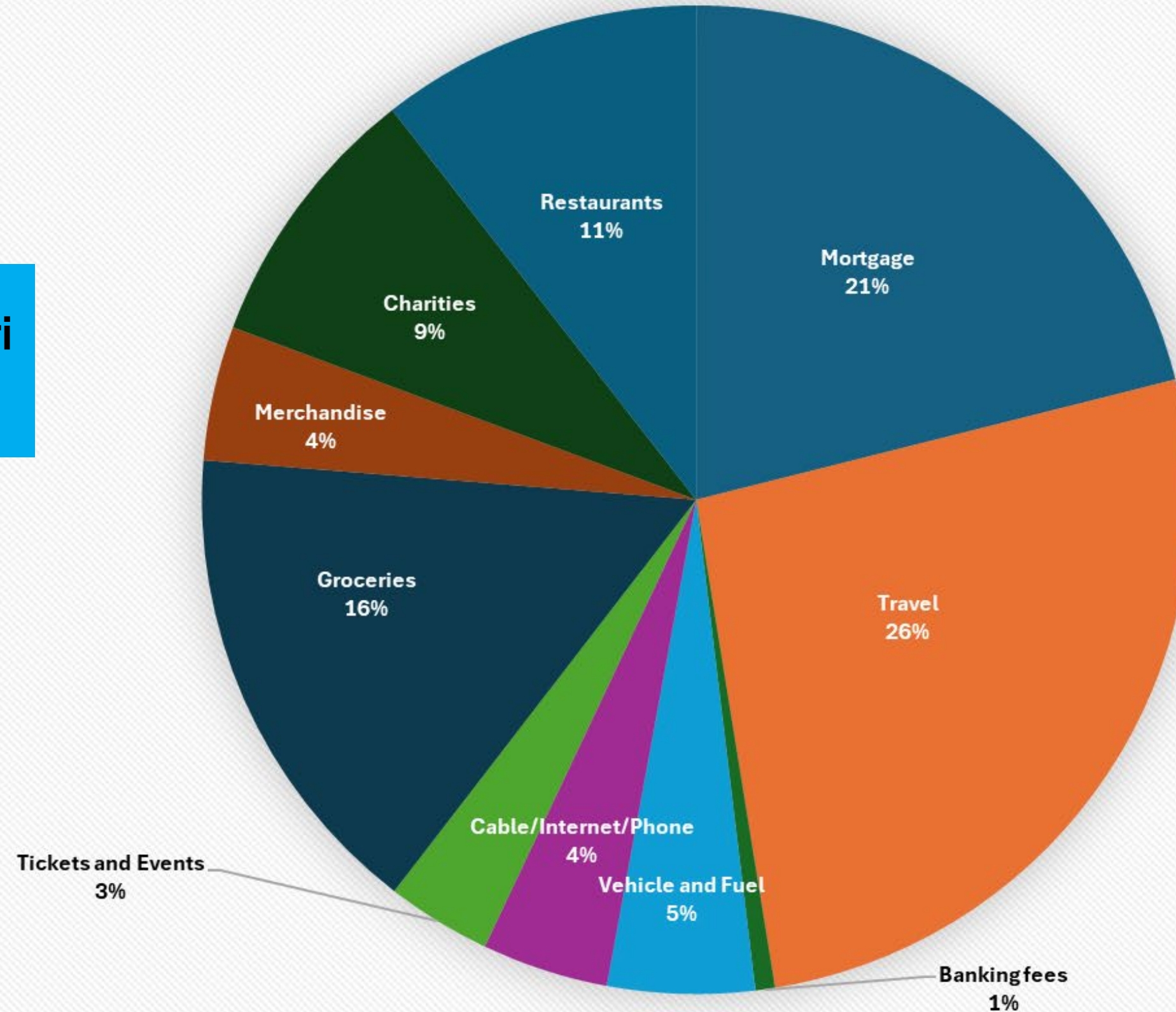
YOUR
SPENDING



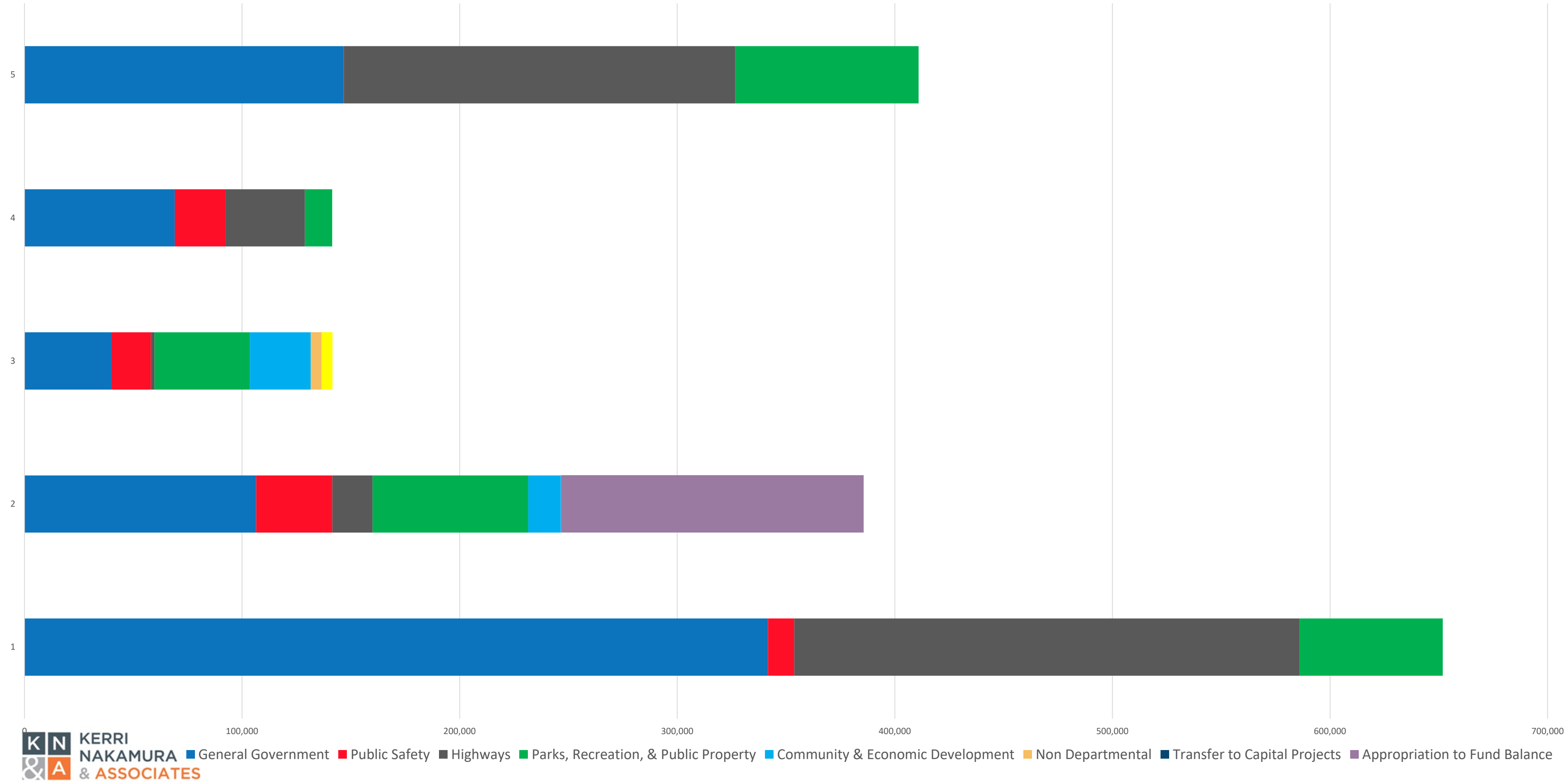
PERSONAL BUDGET EXAMPLE

What do you know about Kerri by reviewing her budget?

Kerri's Spending 2023

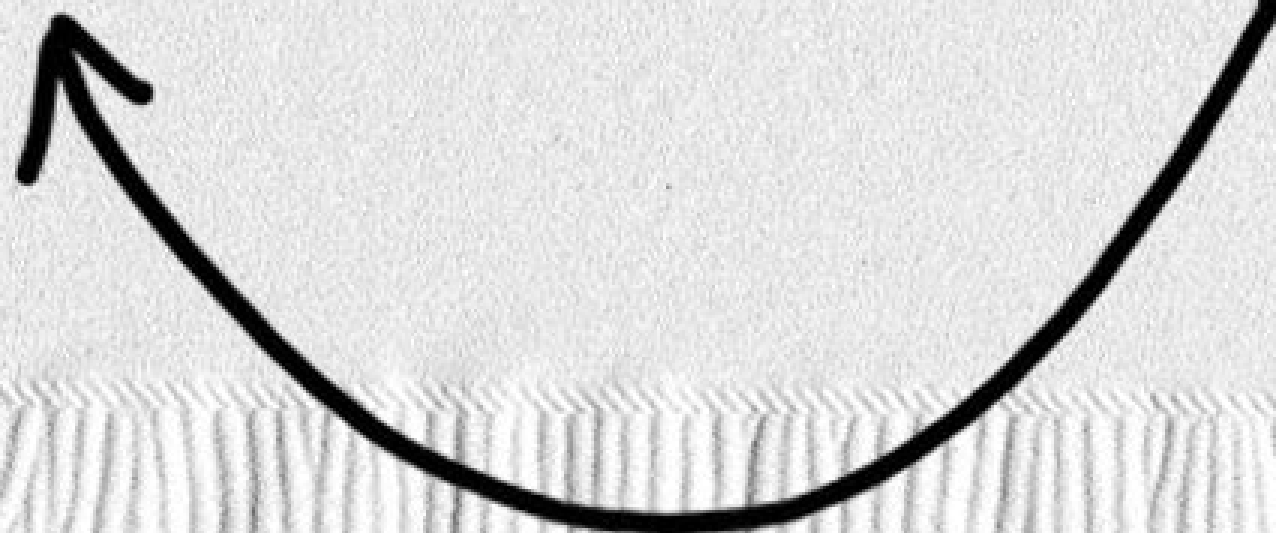
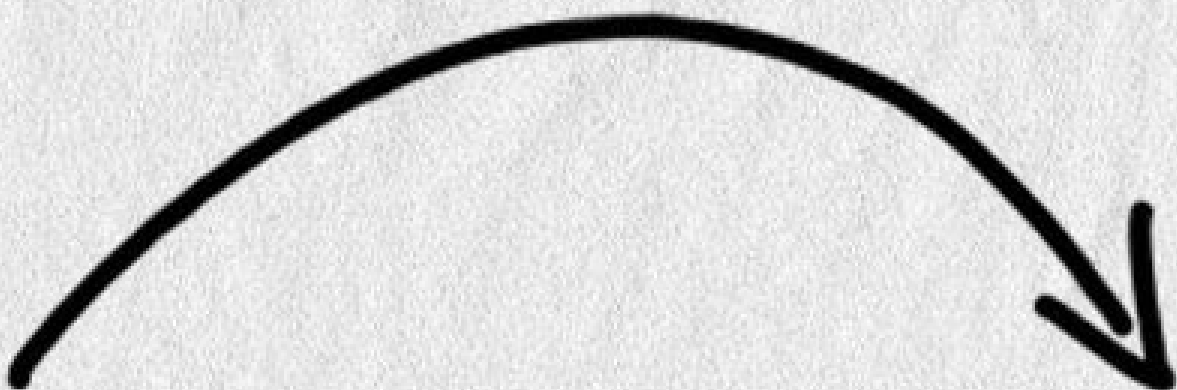


5 Communities' Expenditures



YOUR
VALUES

YOUR
SPENDING



Pitfalls of misalignment

PLANNING
MATTERS
and budget
planning
matters too

CLOSE TO HOME

BY JOHN McPHERSON



GOVERNING BODY ESTABLISHES VALUES.

The governing body should provide legislative policy direction to the city manager, mayor, or executive and reaffirm the policy direction annually.

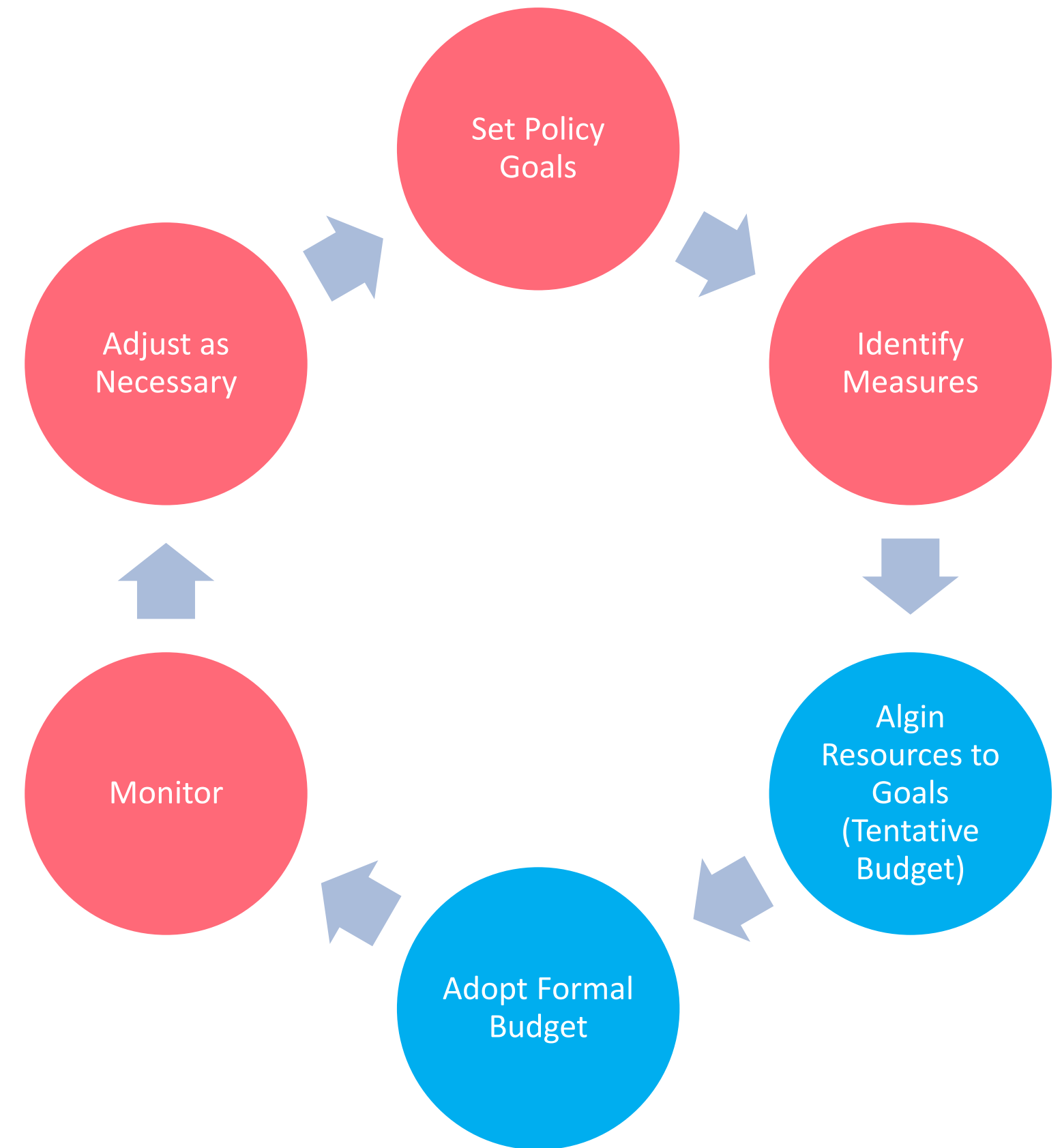
Tools used to establish policy direction:

- Strategic Plan
- Policy Statement
- Legislative Intent
- Goal Statement

Direction should be:

- Intentional
- Meet community needs
- Measurable
- Achievable

A policy driven budget cannot be accomplished if the Council only focuses on the budget during the formal May – June budget cycle, it must be a year-round endeavor.

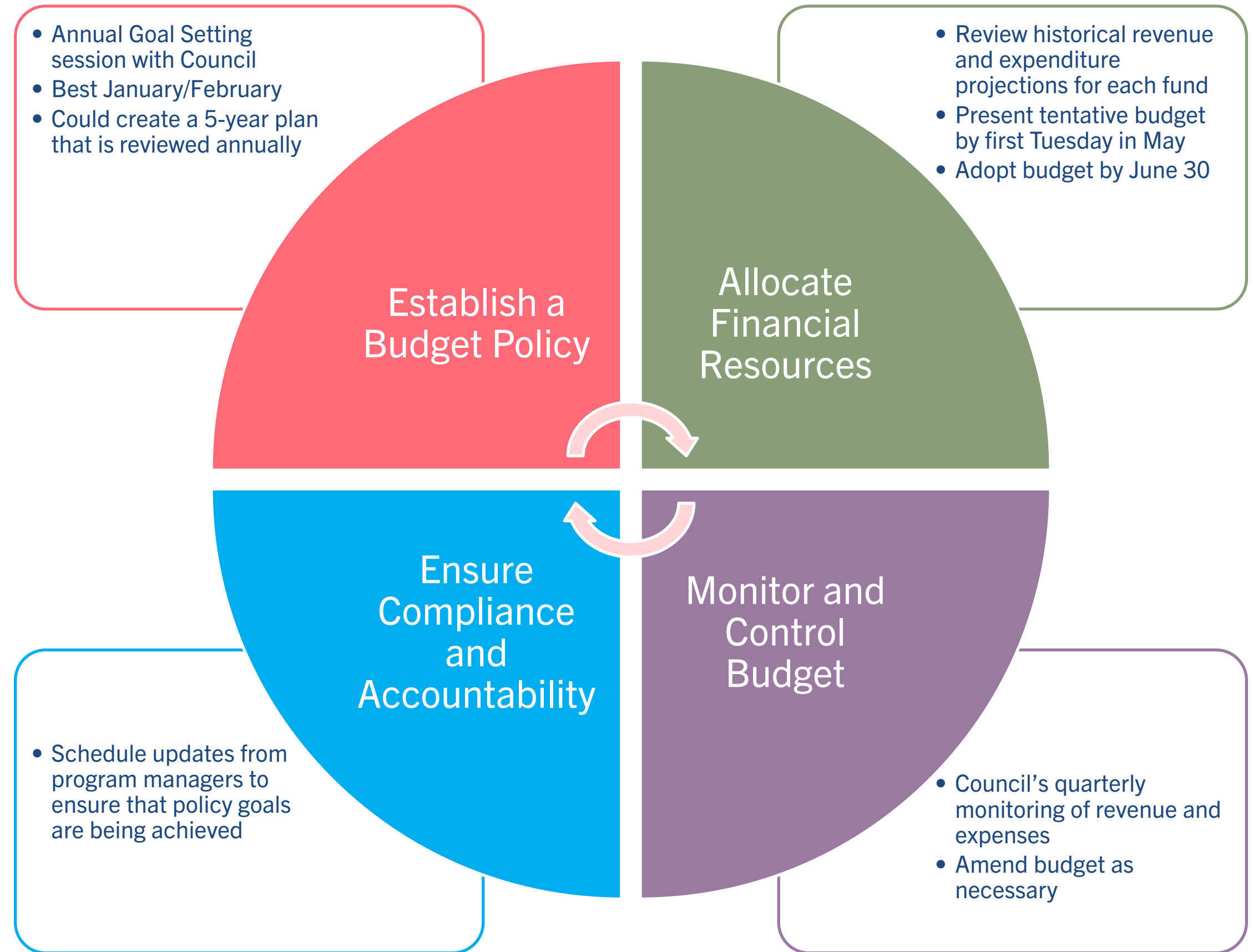


Budget Policy



- Most important role of City Council
- No right or wrong answer, but there might be best practice guidance
- Staff can help the body coalesce around a general direction, easier said than done
- **HARD TRUTH:** Staff should not substitute its policy goals for the Council's goals

Policy should drive the numbers; the numbers should not drive the policy.



Sandy City Guiding Principles

- **Protect** residents through ongoing investment in public safety and emergency response.
- **Connect** neighbors through community services, events, and essential infrastructure.
- **Create** opportunities by supporting economic development, innovation, and future focused projects.



Sandy City Goals & Objectives

Vision: Connecting an active, vibrant, and prosperous community, where people flourish, and you belong.

Mission: Sandy City strives to be responsible stewards dedicated to providing high-value quality services, with an emphasis on safe neighborhoods, smart planning, preservation, and economic diversity. Our unique mountain community, in the heart of the Wasatch, simultaneously offers access to open space recreation and urban opportunities, encouraging a healthy lifestyle for residents and tourists alike.

2026 Citywide Goals:

- Maintain and improve basic core municipal services
- Maintain integrity of residential neighborhoods and preserve property values
- Preserve and improve public infrastructure and transportation systems
- Preserve and expand existing businesses / seek new clean commercial businesses
- Develop and improve the City's recreational trails and increase recreational opportunities (i.e. provide part and green spaces for recreational activities and to enhance the environment)
- Develop and maintain community facilities
- Strengthen communications with citizens, businesses, and other institutions
- Maintain a highly qualified work force

GOVERNING BODY ESTABLISHES VALUES.

The governing body should provide legislative policy direction to the mayor and reaffirm the policy direction annually.

Tools used to establish policy direction:

- Strategic Plan
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Direction should be:

- Intentional
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- Measurable
- Achievable

Budget Message Should:

- Establish an overall message – state what goals you are trying to achieve
- Reveal major assumptions used in the budget – both revenue and expenditure
- Identify financial, economic, and inflation factors
- Identify opportunities
- Focus attention on the changes from the prior year budget

**BUT TO DO
EFFECTIVELY
MANAGE THE
BUDGET, YOU
MUST FIRST
UNDERSTAND
THE BASICS.**



BUDGETING BASICS

Definitions
Deadlines
Requirements



LOCAL GOVERNMENT RESOURCE CENTER

A place where you can easily find solutions and ask questions

Welcome to the Local Government Resource Center. Here you'll find forms, manuals and guides; training resources; brief explanations, checklists, and templates, and the Compliance Dashboard, which displays your entity's delinquent/action required reports. Contact the Local Government team if you have concerns or suggestions for improvement.



Office of the State Auditor Mission Statement:

We provide Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

OSA Local Government Mission Statement:

The Local Government Division ensures uniform accounting, budgeting, and financial reporting by Utah's local governments. This is done by providing consultation, budget forms, and uniform accounting guidelines and services for counties, municipalities, school districts, and local districts.

The Division reviews independent audits of all units of local government for compliance with reporting standards and conformity with generally accepted accounting principles and State law. The Division also presents training to local government officials and to CPA's conducting governmental audits.

FORMS, MANUALS & GUIDES



TRAINING



EXPLANATIONS, CHECKLISTS & TEMPLATES



STATE REPORTING SYSTEM

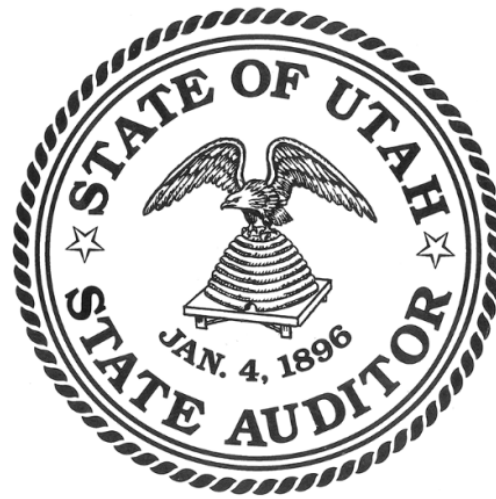


COMPLIANCE DASHBOARD

TRANSPARENT UT DATA QLT. DASHBOARD

Uniform Accounting Manual
for
All Local Governments

STATE OF UTAH
OFFICE OF THE UTAH STATE AUDITOR



TINA M. CANNON
UTAH STATE AUDITOR

(Revised May 2025)

Online Help: www.Resources.Auditor.Utah.Gov

Balanced Budgets Required for each Fund



- Each fund's budget must be balanced – deficit spending is not allowed
- All funds added together represent the municipality's total operating and capital budget
- All funds lapse to respective fund balances on June 30 – except Capital Project Fund
- General Fund Balance maximums (as percent of budgeted revenue for the current year)
 - Town = 100%
 - City = 35%

Each fund must be balanced



Fund Types – Governmental vs. Proprietary

Accountability

Governmental Funds account for tax-supported, day-to-day services such as:

- public safety
- parks
- roads
- community development
- general government



Profitability

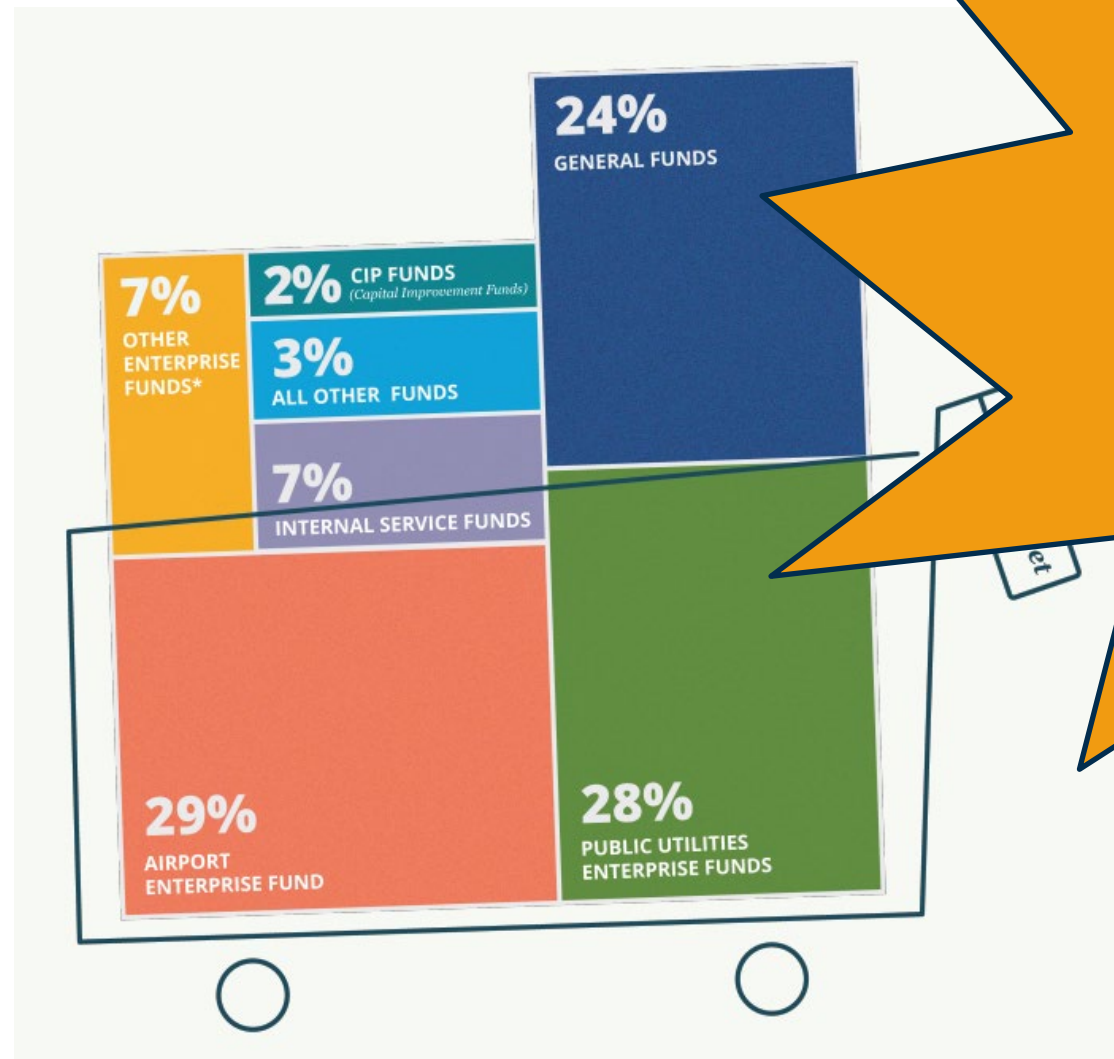
Proprietary Funds manage self-supporting, business-type activities such as:

- Water
- Golf
- Waste collection
- Alta Canyon Sports Center

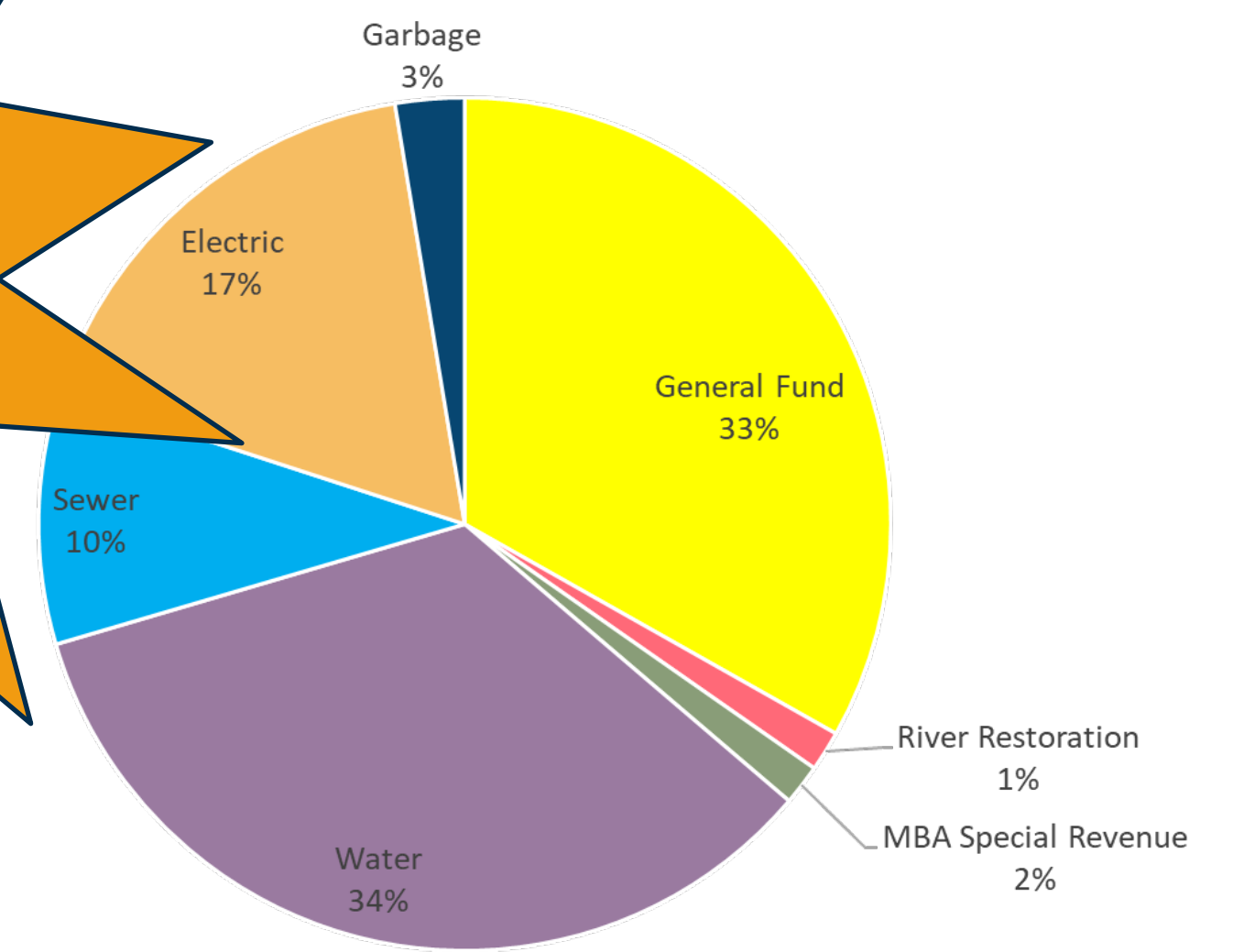
Most municipal budgets include multiple funds

Salt Lake City = \$2.2 Billion

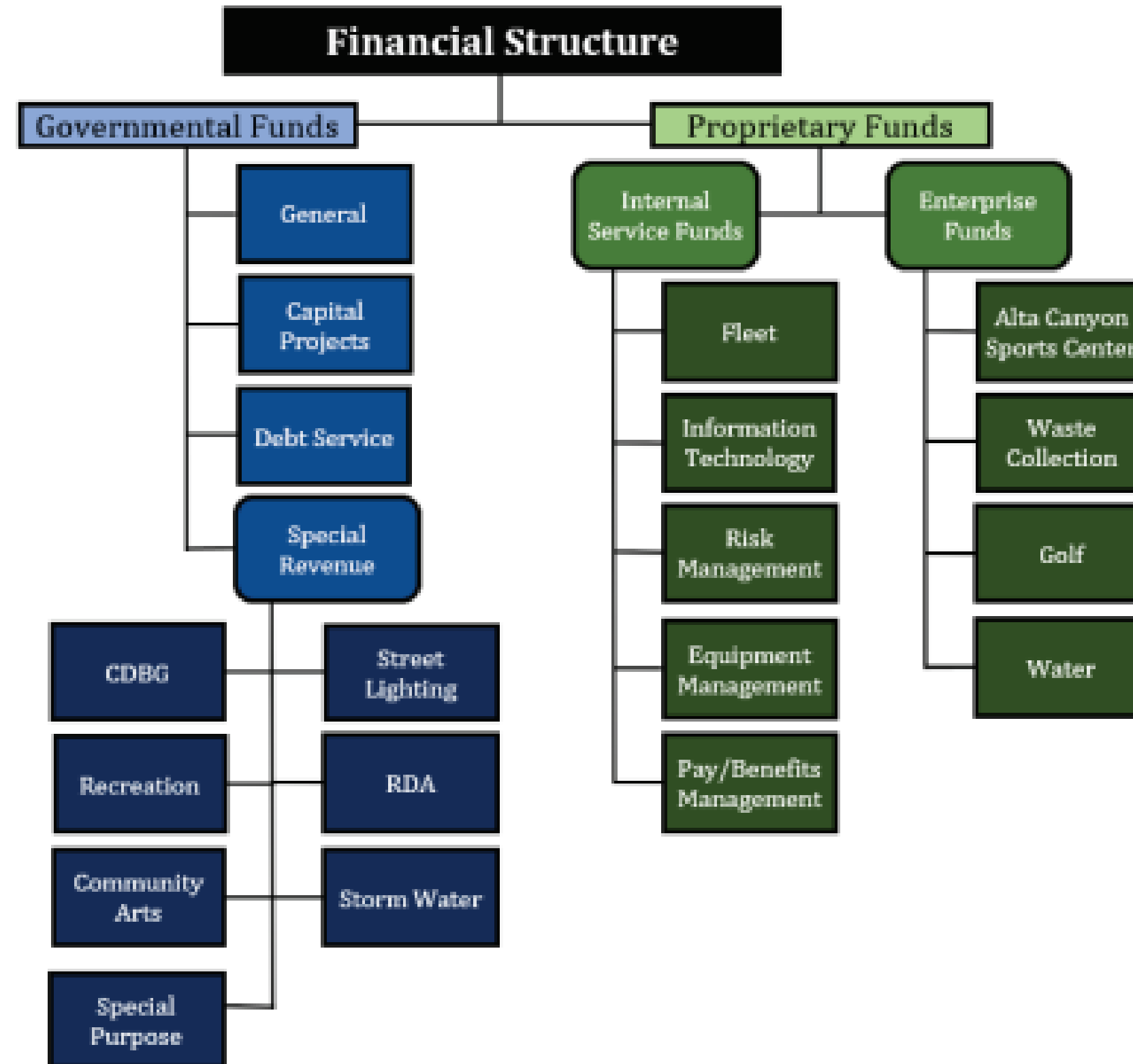
Helper City = \$6.4 Million



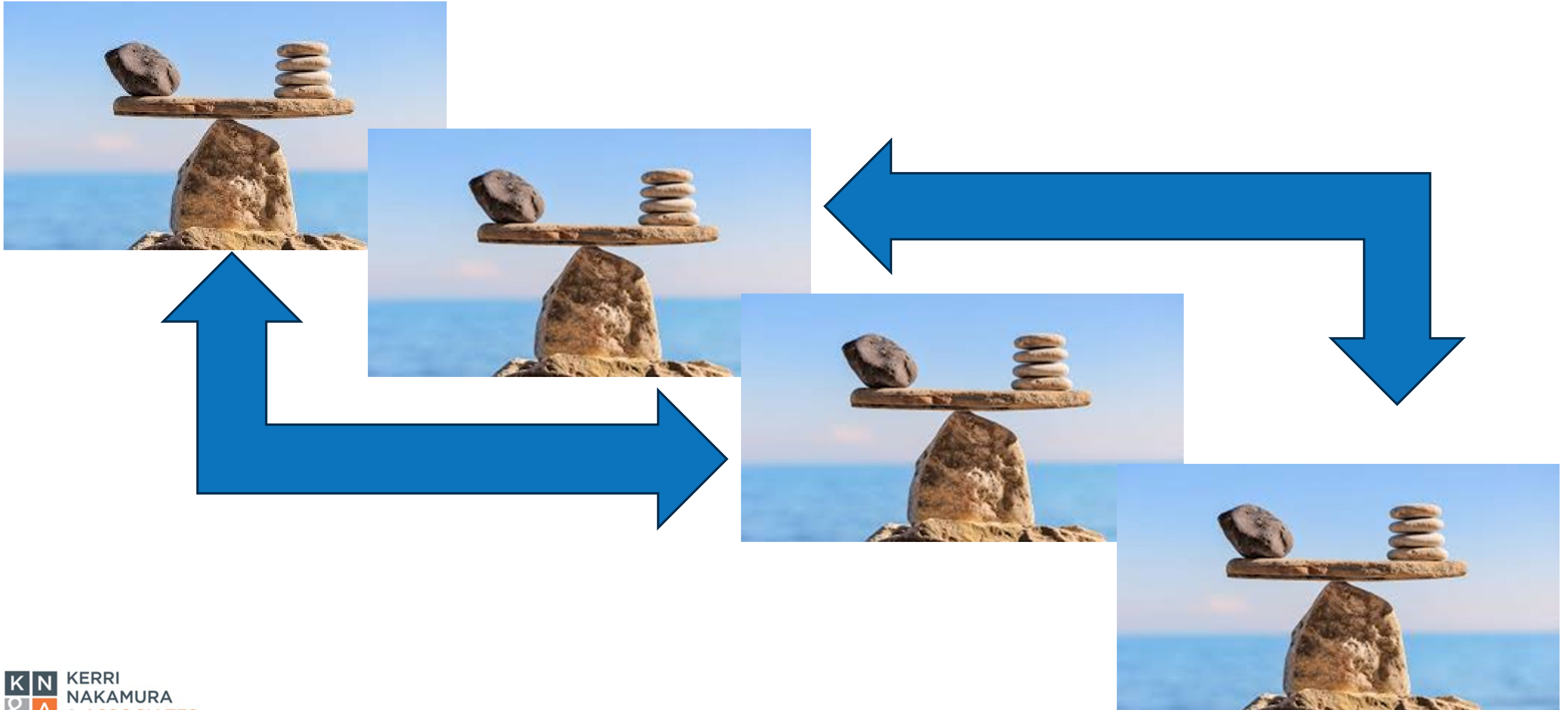
Helper City Expenditures by Fund 2026



FUNDamental understanding: Sandy City's Funds



Council Budget Amendment Required to move money from Fund to Fund

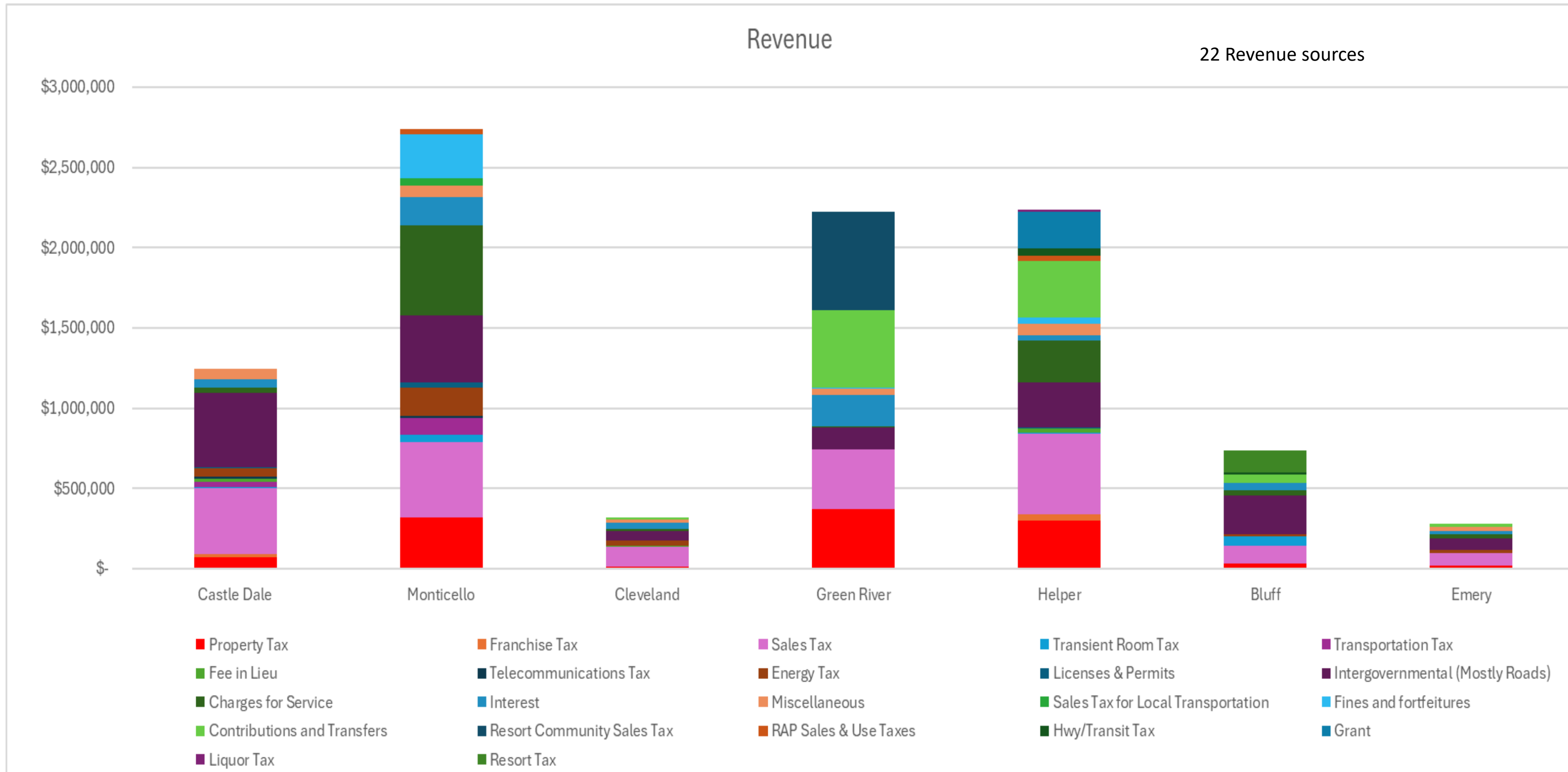


General fund – Governmental Type



The General Fund provides the resources necessary to sustain the day-to-day activities of a governmental entity. This fund records all assets and liabilities of the entity that are not assigned to other funds. As such, these funds are limited by law as taxpayer funds and should not be accumulated without a specific purpose.

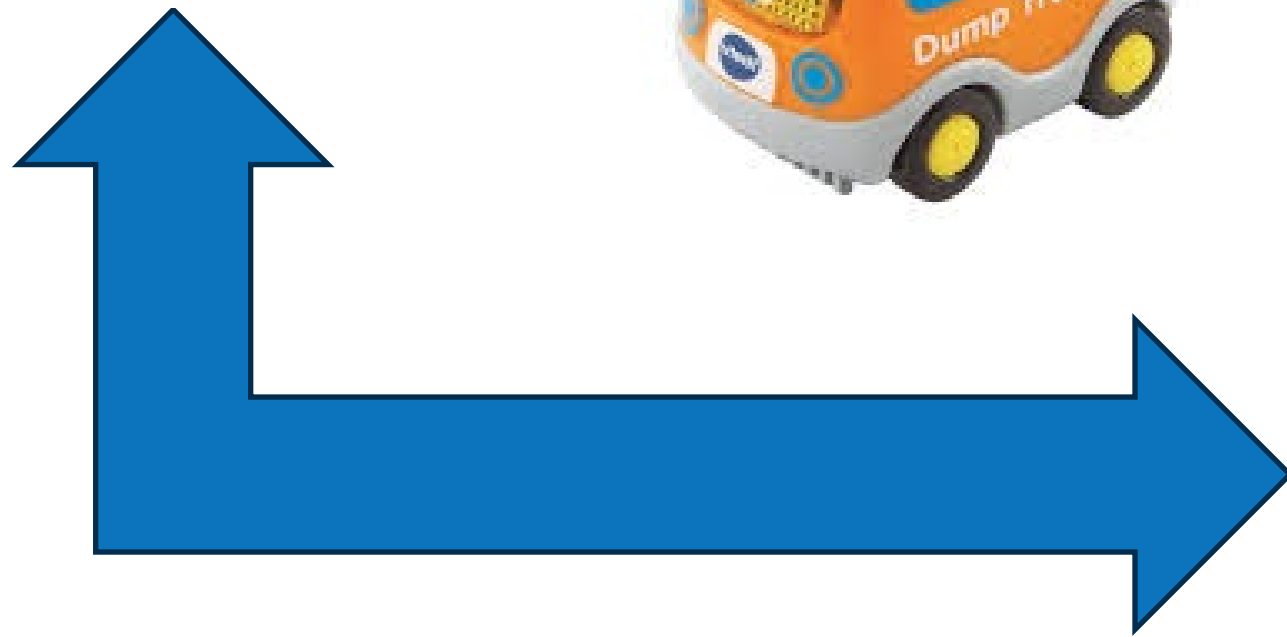
Examples of community general fund revenue



Sandy City's General Fund Revenue



Council Budget Amendment Required to move money from one appropriation unit (department) to another in the General Fund



Debt service fund



Debt Service Funds – A Fund established to accumulate sufficient resources to make principal and interest payments on debt that has been issued. These funds would normally be classified as restricted, committed, or assigned. This fund should be used if a legal mandate or *debt covenant* exists that has liquidity, ratio or other requirements. If the entity is not obligated, then an agency fund would be appropriate.

Special Revenue Fund



Special Revenue Fund— A fund restricted or committed to a specific purpose other than debt service or capital projects

Capital projects fund



Capital Projects Fund – A Fund reserved for long-term capital investment projects such as the acquisition, construction, or renovation of building. This reserve fund ensures that the entity has adequate funding to finance the project. These funds would not be used for a proprietary, or revenue generating project, but more likely for general or administrative government use. These funds are usually classified as restricted, committed, or assigned.

Sandy City Capital projects fund

Consolidated Capital Projects Schedule

City Council	2025 Budget	2026 Approved	2027 Planned	2028 Planned	2029 Planned	2030 Planned
120104 - Council Chamber Tech & Security Upgrades - This funding will be used to remodel the City Council Chamber to improve A/V systems, safety concerns, and other general improvements.						
4100 General Revenue	\$ 220,079	\$ 100,000	\$ 880,000	\$ -	\$ -	\$ -
Total City Council	\$ 220,079	\$ 100,000	\$ 880,000	\$ -	\$ -	\$ -

Administration	2025 Budget	2026 Approved	2027 Planned	2028 Planned	2029 Planned	2030 Planned
1201 - Municipal Building - This project is for replacement and improvements to municipal buildings. The account generally pays for building components with an estimated useful life of between five and fifty years and replacement value greater than \$7,500. The major categories of work consist of exterior closure/surfaces, roofing, interior flooring, walls and ceiling finishes, conveying systems, HVAC systems, plumbing systems, fire protection systems, electrical systems, and other miscellaneous items such as public address systems, security systems, sidewalks, common furniture, etc.						
4100 General Revenue	\$ 1,658,521	\$ 140,000	\$ 400,000	\$ 250,000	\$ 250,000	\$ 250,000
12443 - Justice Center Joint Information Center - This funding is to create a joint information center to accommodate media during an emergency.						
4100 General Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Administration	\$ 1,658,521	\$ 140,000	\$ 400,000	\$ 250,000	\$ 250,000	\$ 250,000

Amphitheater	2025 Budget	2026 Approved	2027 Planned	2028 Planned	2029 Planned	2030 Planned
1487 - Amphitheater Improvements - This funding will be used for improvements to the Sandy Amphitheater.						
2610 Amphitheater	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ -
4150 Amphitheater Cell Tower	308,066	-	-	-	-	-
Total	\$ 958,066	\$ -	\$ -	\$ -	\$ -	\$ -
Total Amphitheater	\$ 958,066	\$ -	\$ -	\$ -	\$ -	\$ -

Court Services	2025 Budget	2026 Approved	2027 Planned	2028 Planned	2029 Planned	2030 Planned
1244 - Justice Center - This funding will be used for improvements to the Justice Center.						
4100 General Revenue	\$ 26,026	\$ -	\$ -	\$ -	\$ -	\$ -
Total Council	\$ 26,026	\$ -	\$ -	\$ -	\$ -	\$ -

Engineering	2025 Budget	2026 Approved	2027 Planned	2028 Planned	2029 Planned	2030 Planned
EXPANSION PROJECTS						
1209 - Public Works Facility - Provides funds for building and site improvements.						
4100 General Revenue	\$ 17,255	\$ -	\$ -	\$ -	\$ -	\$ -
1209911 - Public Works Facility Rebuild - This funds the master planning, demolition, and rebuilding of the entire Public Works Facility. Current funding will be used for completion of the Fleet Maintenance building.						
4100 General Revenue	\$ 6,498,374	\$ 1,200,000	\$ 10,972,508	\$ -	\$ 13,571,223	\$ -
13115 - Traffic Signal Upgrades - Current funding will be used to install Audible Pedestrian Systems at all traffic signal locations. Other annual amounts are for routine hardware upgrades. Additional funds in FY 2029 are for a traffic signal synchronization project.						
4100 General Revenue	\$ 568,345	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 175,000
4500 Grants	27,872	-	-	-	-	-
4600 State Road Funds	20,000	-	-	-	-	-
	\$ 616,217	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 175,000
13132 - Riverside Drive - This project funds the design and completion of curbs and gutters at the south end cul-de-sac of Riverside Drive at River Oaks Golf Course.						
4100 General Revenue	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -
13135 - 9400 South Widening (300 to 700 East) - This project procures right-of-way and will widen 9400 South to four lanes with the addition of a center turn lane. (Possible Federal Aid Project, funds required in FY 2033.)						
4100 General Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13136 - Highland Dr (9800 S to Sego Lily and 114th S to Wasatch Blvd) 2 Lanes - This project will extend Highland Drive between 9800 South and Sego Lily, and construct a two-lane section from 11400 South to Wasatch Boulevard. (Funds required in FY 2033.)						
4100 General Revenue	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -
13157 - Highland Drive EIS - This project funds the Environmental Impact Statement (EIS) which is necessary to receive approval and design direction for the future construction of Highland Drive. This is Sandy's 50% match. Draper City will pay their share for a total of \$292,000.						
4100 General Revenue	\$ -	\$ -	\$ -	\$ 146,000	\$ -	\$ -
13163 - 1700 East Improvements 10980 South to Draper - This multi-phased project will relocate power poles and complete the installation of public improvements from 10980 South to the Draper City limits. Main project funding is required in FY 2030. Funds for FY 2026 are to purchase right-of-way and install a sidewalk and pedestrian crossing at Crescent View Dr.						
4100 General Revenue	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -
13165 - 8600 South Sidewalk - This project will purchase the right-of-way and complete construction of a sidewalk from 1300 East to Flat Iron Park.						
4100 General Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
13169 - 10600 South 1750 East to 2000 East (Federal Matching Funds) - This phase will complete the five lane widening of 10600 South to 2000 East. (Funds required in FY 2033.)						
4100 General Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13172 - 7800 South Improvements - The plan is to widen the road to three lanes by adding a center turn lane and constructing improvements on the north side of the road from 775 East to Devin Place. Pinch point by the Harmons entrance is the only section remaining.						
4100 General Revenue	\$ -	\$ -	\$ -	\$ 360,000	\$ -	\$ -

What makes the Capital Projects Fund special?

- The Council establishes capital projects within the Fund – hopefully guided by an adopted Capital Improvement Plan.
- Unexpended funding for capital projects does not revert to the fund balance of the Capital Projects Fund on June 30, rather
- Funds appropriated stay budgeted with a project until the project is completed.
- No budget amendment is required to move funds from one capital project to another.
- Only projects associated with governmental funds should be in the Capital Projects Fund.

Group Game...
Is it a capital
project?



New town hall



Water line replacement



Repair fire hydrant



Street Overlay



Pothole repair



Bridge repair



HVAC system at town hall



Street lights in a neighborhood



Replace a street light bulb



New community swimming pool



Playground Equipment



Upgrade a city park



Snow Plow



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Wild land fire truck



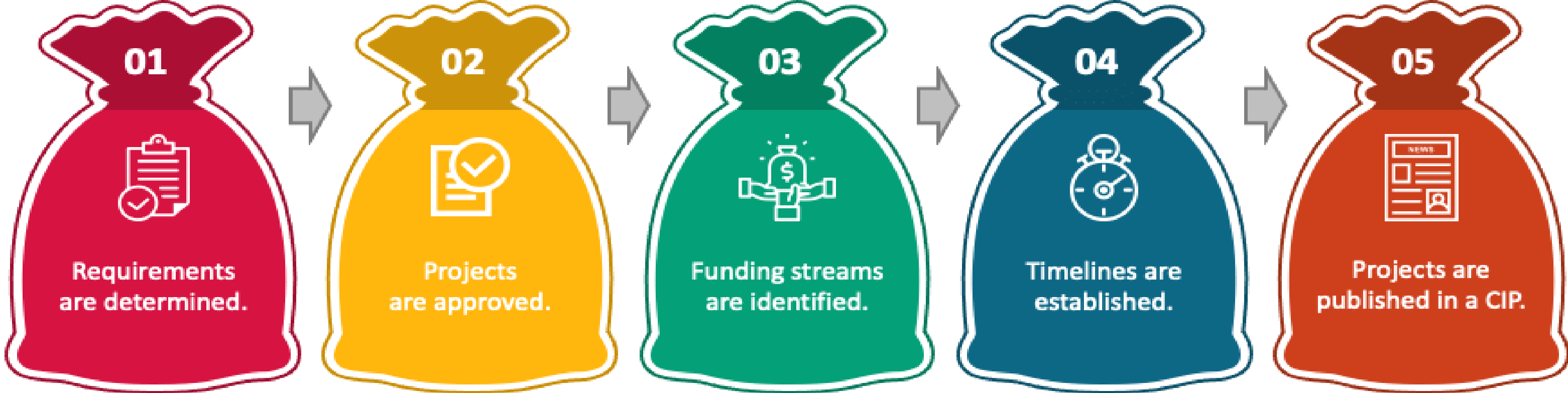
Fire Station



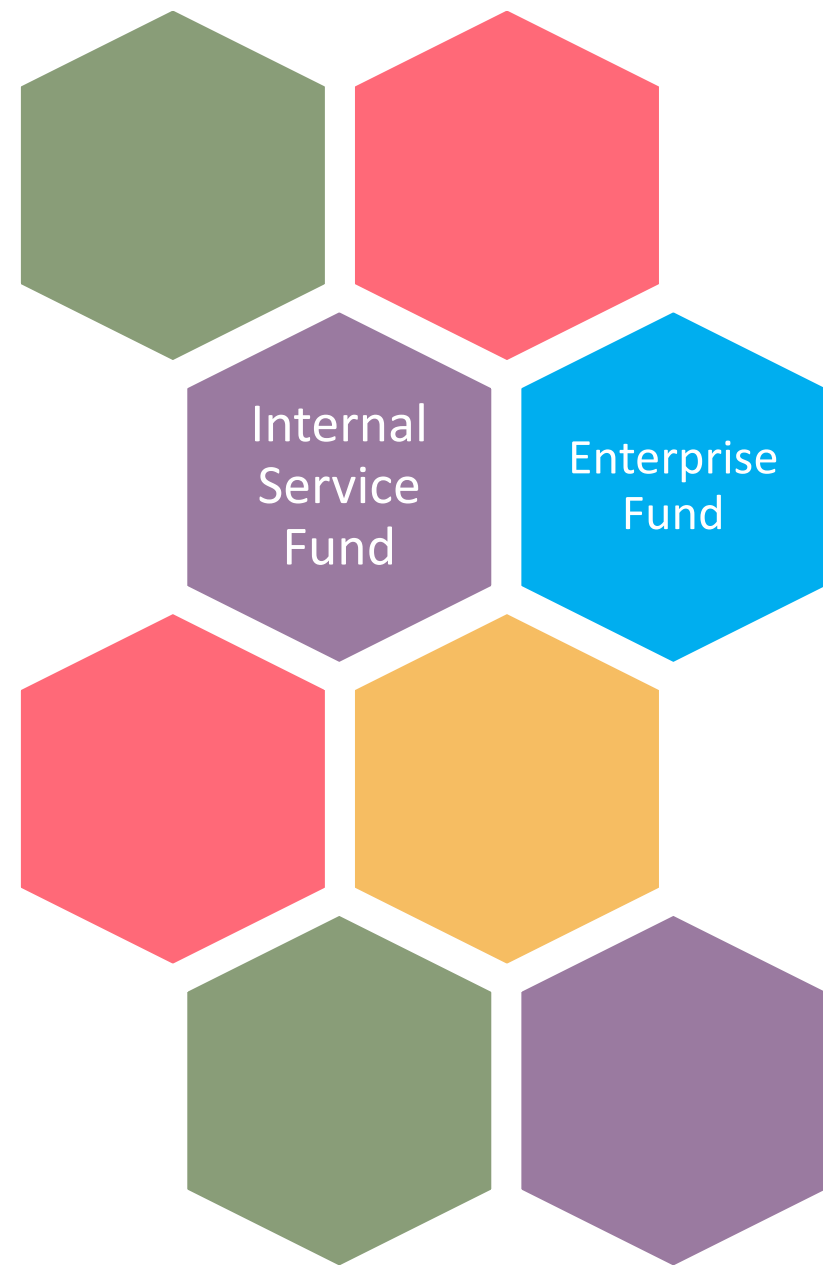
Strong encouragement

CAPITAL IMPROVEMENT PLAN

Life Cycle of a Capital Improvement Plan

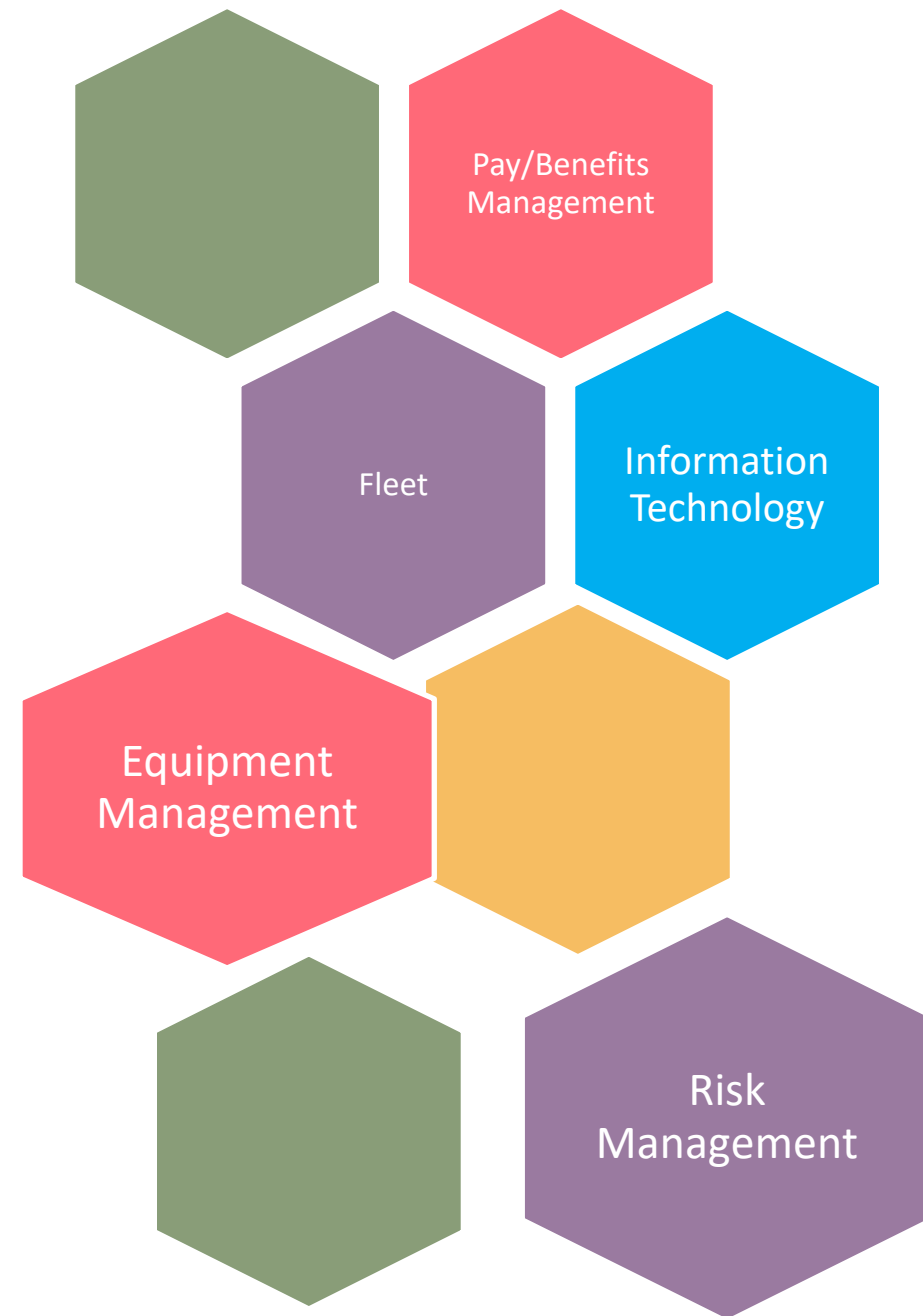


Proprietary fund



Proprietary funds account for an entity's business-type activities that are financed by fees or charges for services. These funds should be self-sufficient. Financial reporting should focus on operating income, changes in net position (cost recovery), financial position, and cash flow. The financial statements should include either a statement of net assets or a balance sheet; a statement of revenues, expenditures, and changes in net assets; and a statement of cash flows.

Sandy City's Internal Service Funds



Proprietary funds account for an entity's business-type activities that are financed by fees or charges for services. These funds should be self-sufficient. Financial reporting should focus on operating income, changes in net position (cost recovery), financial position, and cash flow. The financial statements should include either a statement of net assets or a balance sheet; a statement of revenues, expenditures, and changes in net assets; and a statement of cash flows.

Sandy City's Enterprise funds



Enterprise Funds- Account for goods or services provided to the public on a user charge basis, similar to the operations of a commercial business (e.g., providing water and sewage utilities). A capital budget is part of the enterprise fund to account for the capital projects undertaken by the enterprise.

Enterprise fund – Policy Question Discussion



- Should we transfer enterprise funds to the general fund instead of raising property taxes?
- Should we transfer general fund revenue to an enterprise fund instead of charging user fees?
- Should we transfer fund from one enterprise fund to another enterprise fund to hold off a fee increase?

Each fund must be balanced



Final Fund Notes

- When it becomes no longer necessary to maintain a separate fund, the remaining fund balance can be transferred to the general fund.
- Local governments may authorize inter-fund loans and transfers subject to certain specifications.

([Utah Code Section 10-6-131-132](#) for cities and [10-5-119-120](#) for towns)

Budget basics for all funds



**Fiscal Year for
Municipalities
July 1 – June
30**



**Public
Hearings
required to
adopt and
amend
budgets –
and to
transfer
funding
between
funds**



**Monthly
budget
reports for
management**



**Quarterly
budget
reports for
legislative
body**



**File budget
with State
Auditor 30
days after
adoption**



**Financial
Audit
Reporting
Package
(FILED
TOGETHER)**

Financial Statement
Report – 180 days after
year end

State Compliance Audit –
180 days after year end

Single Audit Report – 180
days after year end

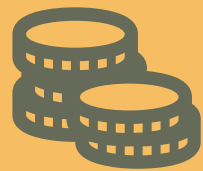
Report on Findings &
Recommendations – 180
days after year end



Deep Dive: Municipal Budget Process



Snapshot of the Municipal Budget Process for all funds – no property tax increase



Budget Officer
Prepares Tentative
Budget in
March/April



Present tentative
budget to the City
Council for adoption
by the first meeting
in May. Set date of
public hearing



Council conducts
public hearing in
May or June
(7 days notice)



Council adopts
certified tax rate
for general fund
before June 22
and provides the
rate to the
County Auditor



Council makes
adjustments & adopt
Final Budget before
June 30.



Budget Officer file
Budget with State
Auditor within 30
days of adoption.

Budget Process Differences for Truth in Taxation

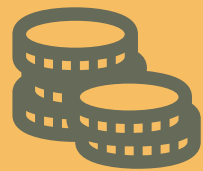
Traditional Budget Process

- **January - April:** Prepare a tentative budget
- **May:** Make the tentative budget available to the public
- **May/June:** Provide notice of a public hearing
- **June:** Conduct a properly advertised public hearing on the tentative budget
- **Before June 22:** Adopt the certified property tax rate and notify the County Auditor and Tax Commission. Update the rate system.
- **By June 30:** Make adjustments and adopt the final budget
- **30 days after adoption:** File budget with the State Auditor.

Truth-In-Taxation Budget Process

- **January - April:** Prepare a tentative budget
- **May:** Make a tentative budget available to the public and state it includes a property tax increase. Present a property tax impact schedule at the department level that outlines the budget increase at the department level and articulates the operational impact to the department if the entity approves the increase.
- **After May 1 but before June 13,** state at a public meeting that a property tax increase is proposed, the approximate dollar amount, the approximate percentage increase, and that if the tax rate is increased, a properly noticed public hearing on the increase will be scheduled. This is a separate item on the agenda.
- **June 1:** Notify County Auditor and State Tax Commission of intent to increase property tax and the planned August hearing date
- **June:** At each public hearing prior to June 30 where the general fund budget is discussed, present the property tax impact schedule as a separate document from all other budget documents on the agenda.
- **May/June:** Provide notice of a public hearing
- **June:** Conduct a properly advertised public hearing on the tentative budget and include the property tax impact schedule on the agenda as a separate item.
- **Before June 22:** Adopt the intended property tax rate and notify the County Auditor and Tax Commission. Update the certified tax rate system.
- **By June 30:** Make adjustments and adopt the interim budget. Include the property tax impact schedule as a separate document. Appropriate projected new property tax revenue to a restricted account.
- **July/August:** For at least 14 days before the entity's August public hearing, post notice of the hearing on Utah Legals, Utah public notice website and entity website*, and physically in public location. and for at least 14 days before the hearing post the County Auditor's list of property tax hearings on the main page of the entity's website.
- **August:** At least 24 hours before TNT hearing, post instructions for virtual participation on the entity's website.
- **August:** Conduct truth-in-taxation hearing and adopt a final tax levy and final budget. Make sure the amount of the tax increase and reasons for the tax increase are clearly stated and recorded. Include the property tax impact schedule. Provide the County list of hearings, if requested.
- **By September 1:** Adopt final budget and tax rate and file form PT 800 with Tax Commission.
- **By September 1:** Update Certified Tax Rate system.
- **August/September:** Within 7 days of adopting the final budget and tax rate provide the State Tax Commission all evidence of compliance with truth in taxation requirements.
- **30 days after adoption:** File budget with the State Auditor

Snapshot of the Municipal Budget Process for all funds – no property tax increase



Budget Officer
Prepares Tentative
Budget in
March/April



Present tentative
budget to the City
Council for adoption
by the first meeting
in May. Set date of
public hearing



Council conducts
public hearing in
May or June
(7 days notice)



Council adopts
certified tax rate
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Council makes
adjustments & adopt
Final Budget before
June 30.



Budget Officer file
Budget with State
Auditor within 30
days of adoption.

Sandy City Municipal Budget Process

FISCAL YEAR 2026 BUDGET CALENDAR

Date	Event
Year-round	Receive citizen input through focus groups, surveys, community meetings, public comment, social media and other electronic correspondence, and personal conversations.
January	Begin developing short and long-term forecasts
January - March	Budget work sessions
	Develop preliminary revenue estimates
	Finalize internal service and administrative cost studies
February - March	Review department budget requests
	Review and update fee schedule
March	Finalize revenue forecasts
	Finalize compensation plan
	Review and balance Mayor's Proposed Budget
March - April	Prepare and publish Mayor's Proposed Budget
May 6th	Present and Adopt Tentative Budget
May - June	Review of the Tentative Budget
May - June	Public hearing for the Tentative Budget
By June 17th	Set Property Tax Rate, Set Truth in Taxation Hearing (if needed)
By June 24th	Adopt Final Budget (if no property tax rate increase)
August	Truth in Taxation Hearing (if needed)
By August 26th	Set Final Property Tax Rate and Adopt Final Budget (if needed)
By August 19th	Resolution Calling GO Bond Election (if needed)
November 4th	General Election, GO Bond Election (if needed)

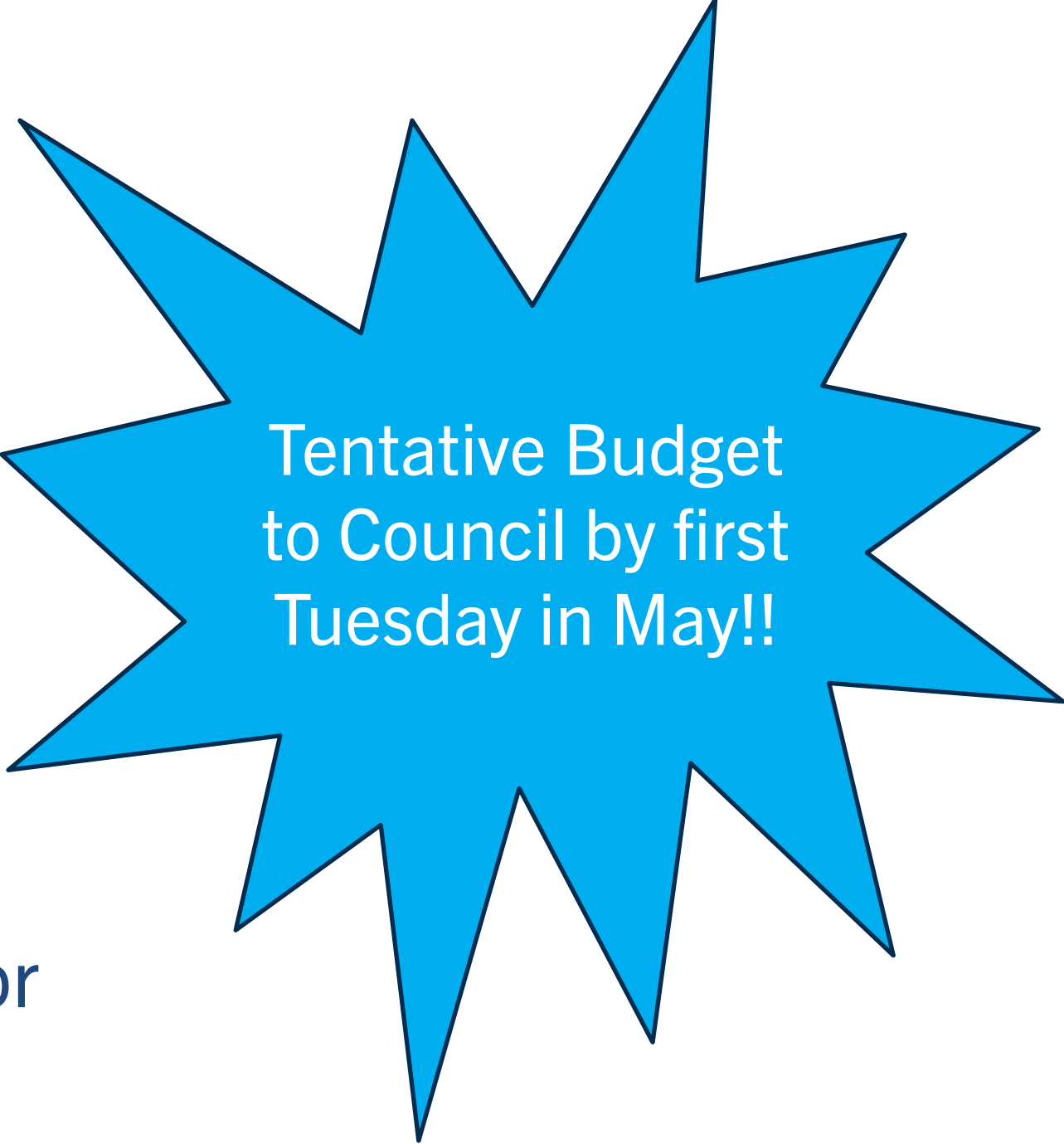
Council drives this portion

Administrative Responsibility



Prepare Tentative Budget

- Review services and align with organization goals
- Review service delivery options
- Cost next year's services
- Review fees
- Prepare revenue and expenditure estimates
- Prioritize budget
- Submit revenue and expenditure request to Mayor
- Mayor prioritizes organization budget



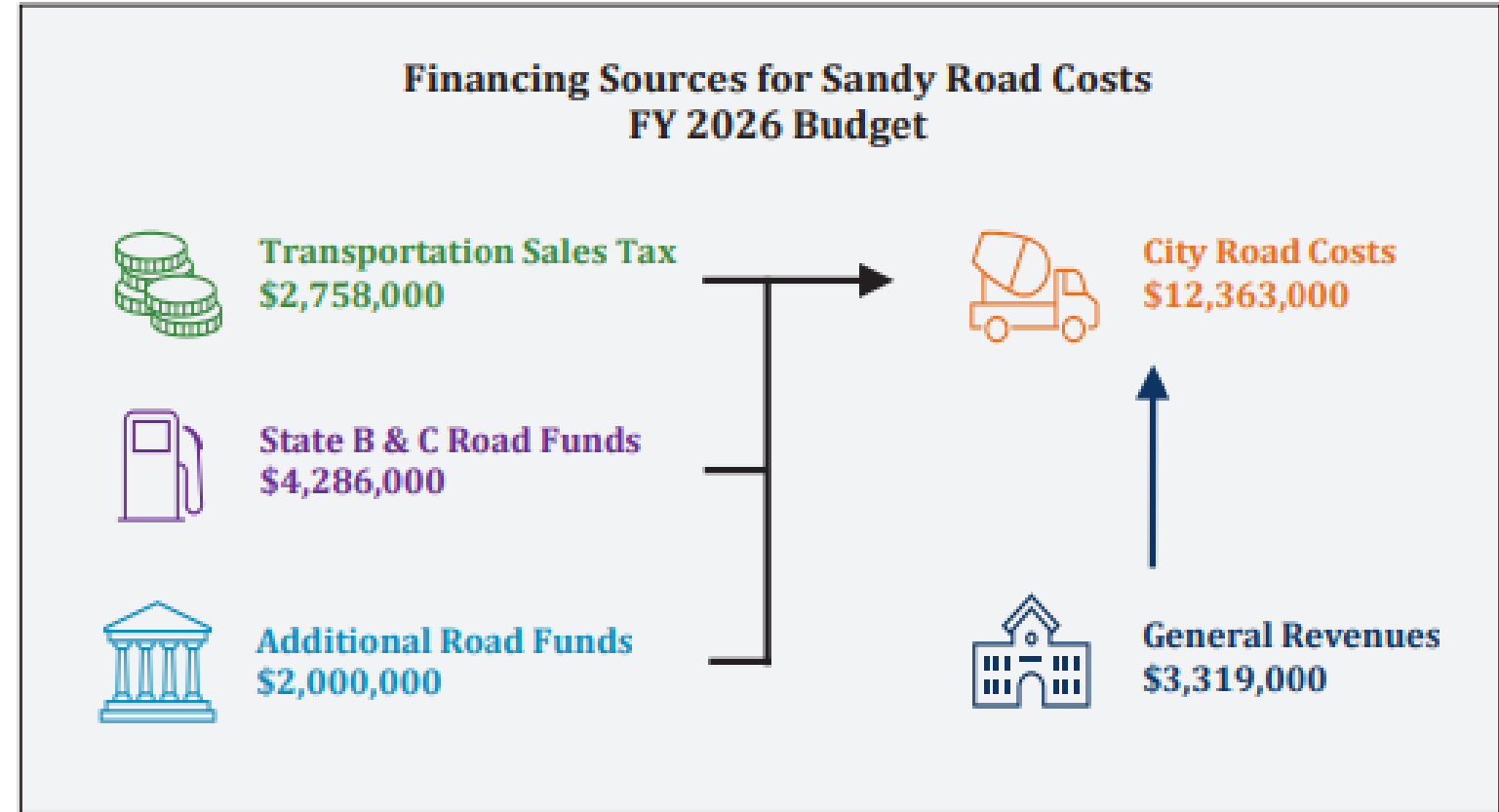
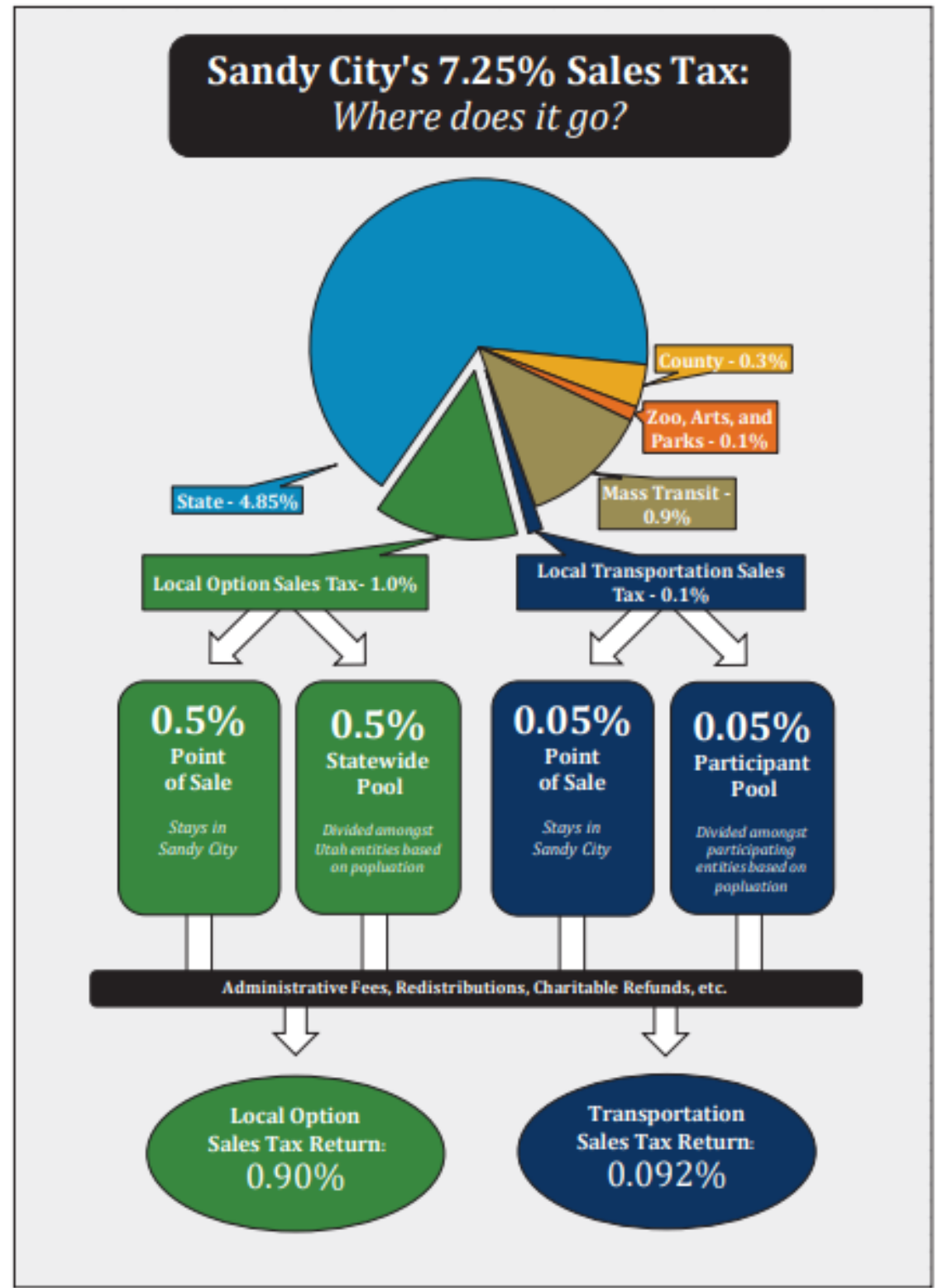
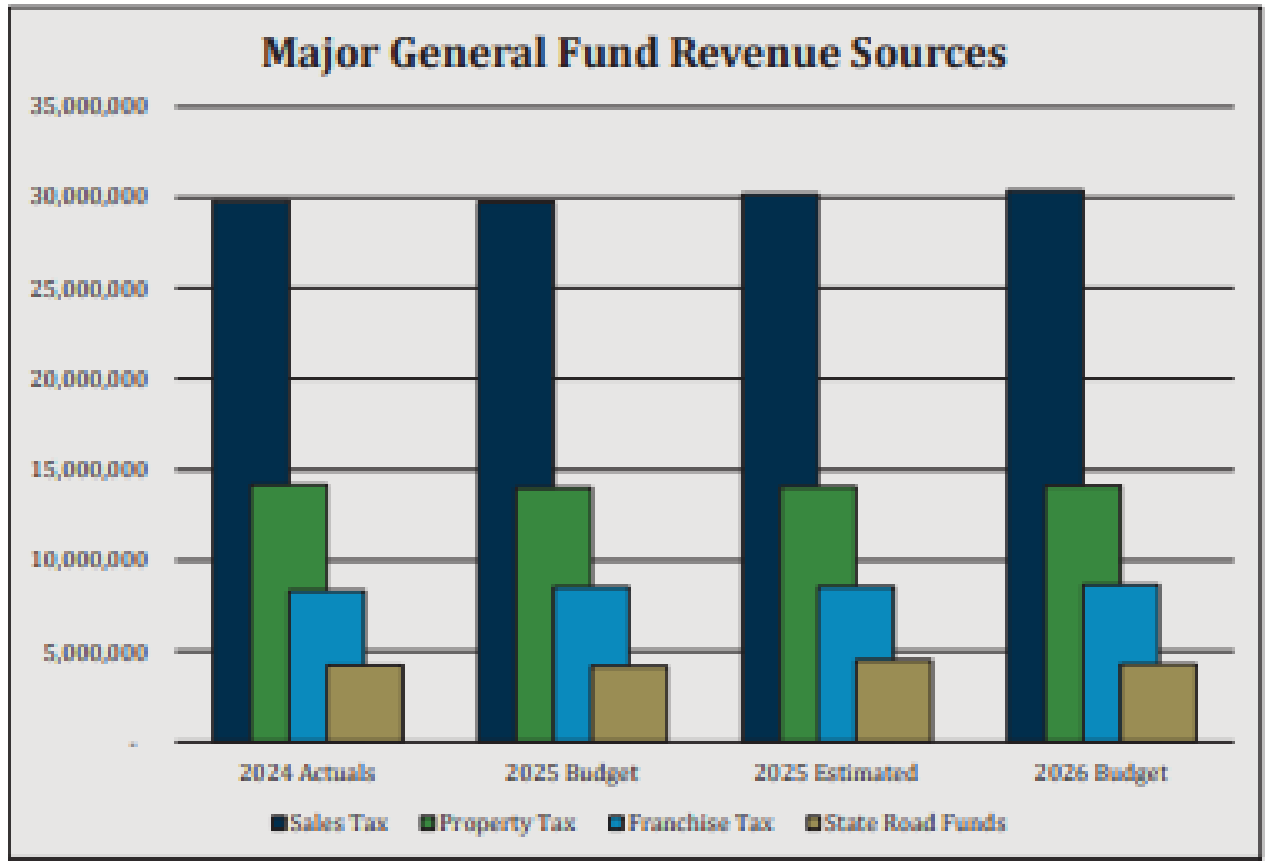
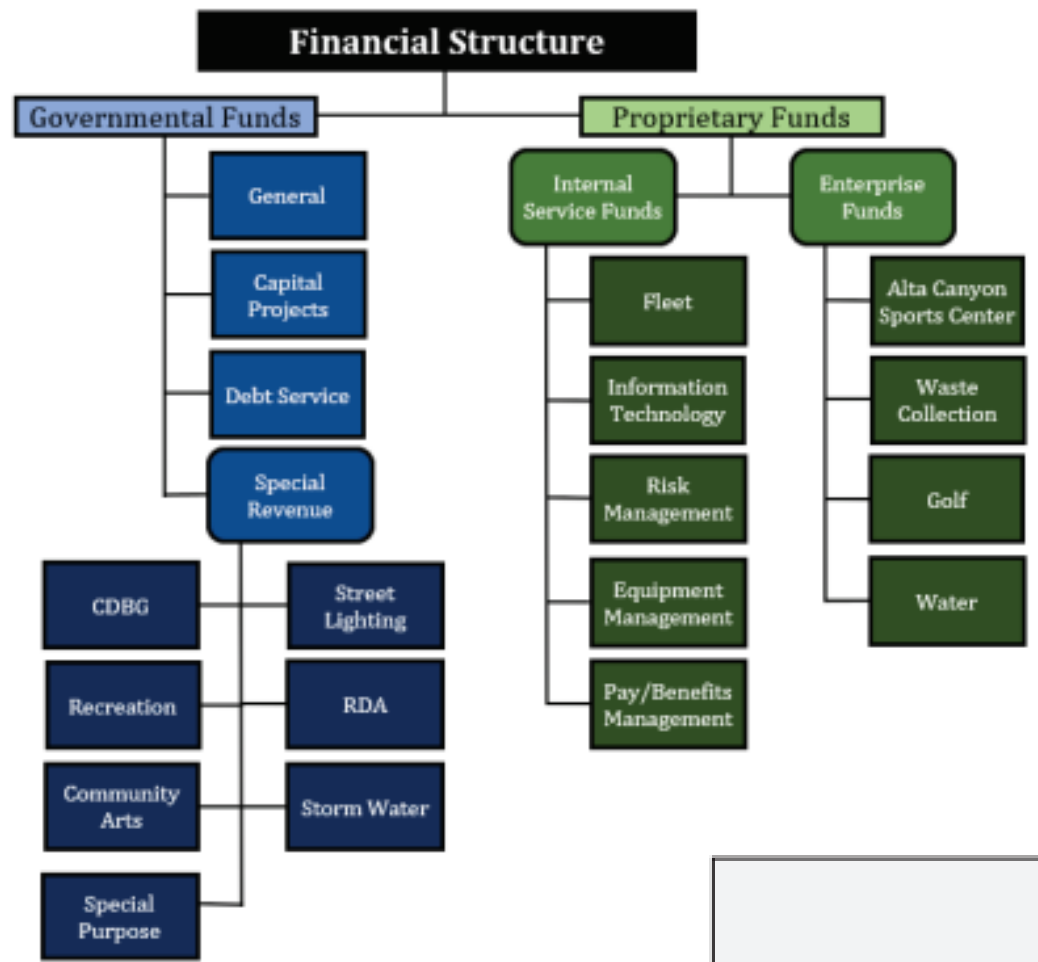
Tentative Budget
to Council by first
Tuesday in May!!

Transparency matters

- Taxpayers **trust** you with their hard-earned money. They deserve to know what you've accomplished with the money they provide.
- Transparency Tips:
 - **Public** Budget Meetings
 - **De-Mystify** the Numbers
 - **Narrative** Description of Budget – Citizen Budget
 - Numbers and Narrative Posted on **Website**
 - **Quarterly** Budget Updates on Council Agenda
 - **Honest** Discussions – Cut Rhetoric
 - Focus on **Outcomes**

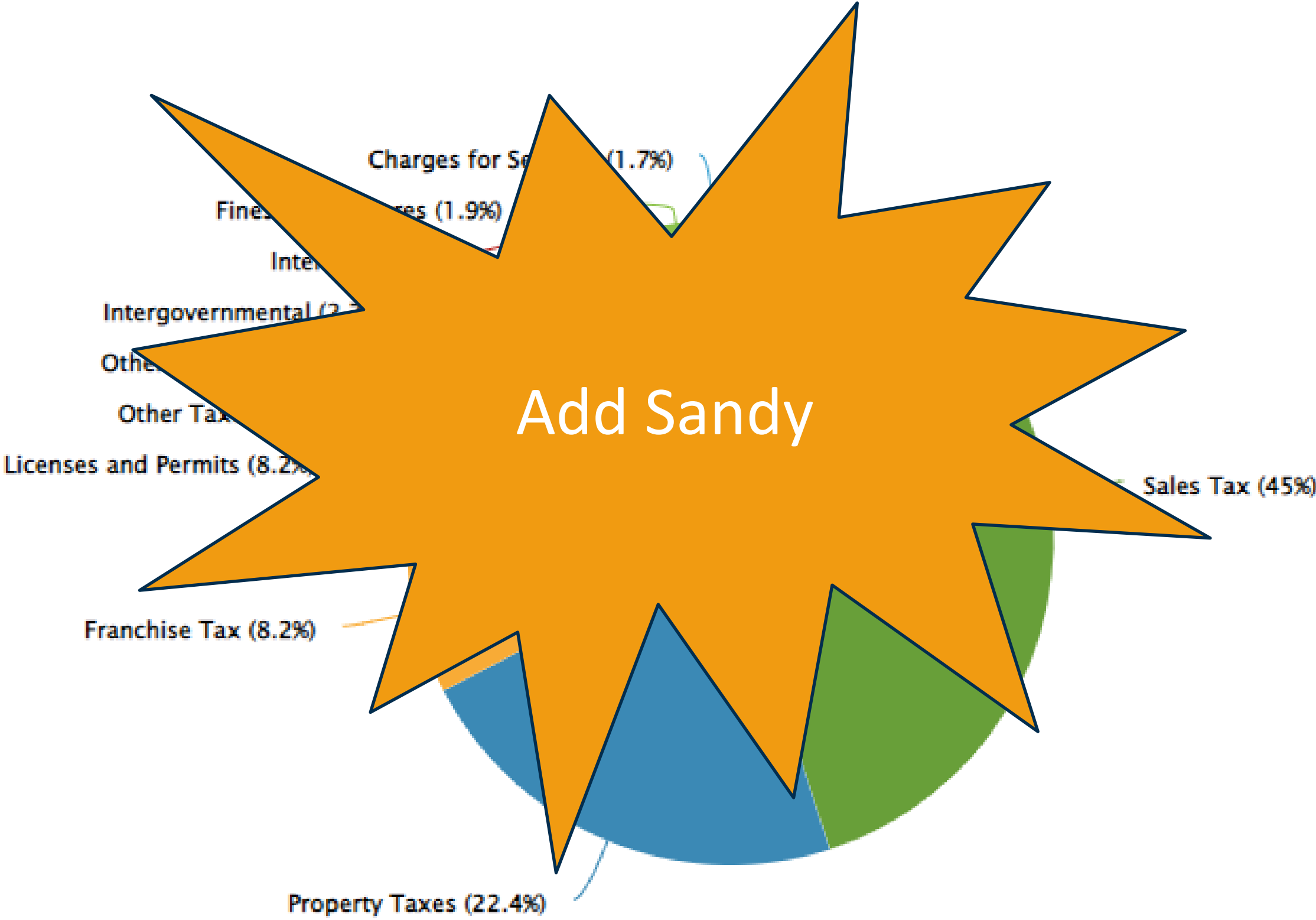


Sandy City De-Mystifies the Numbers

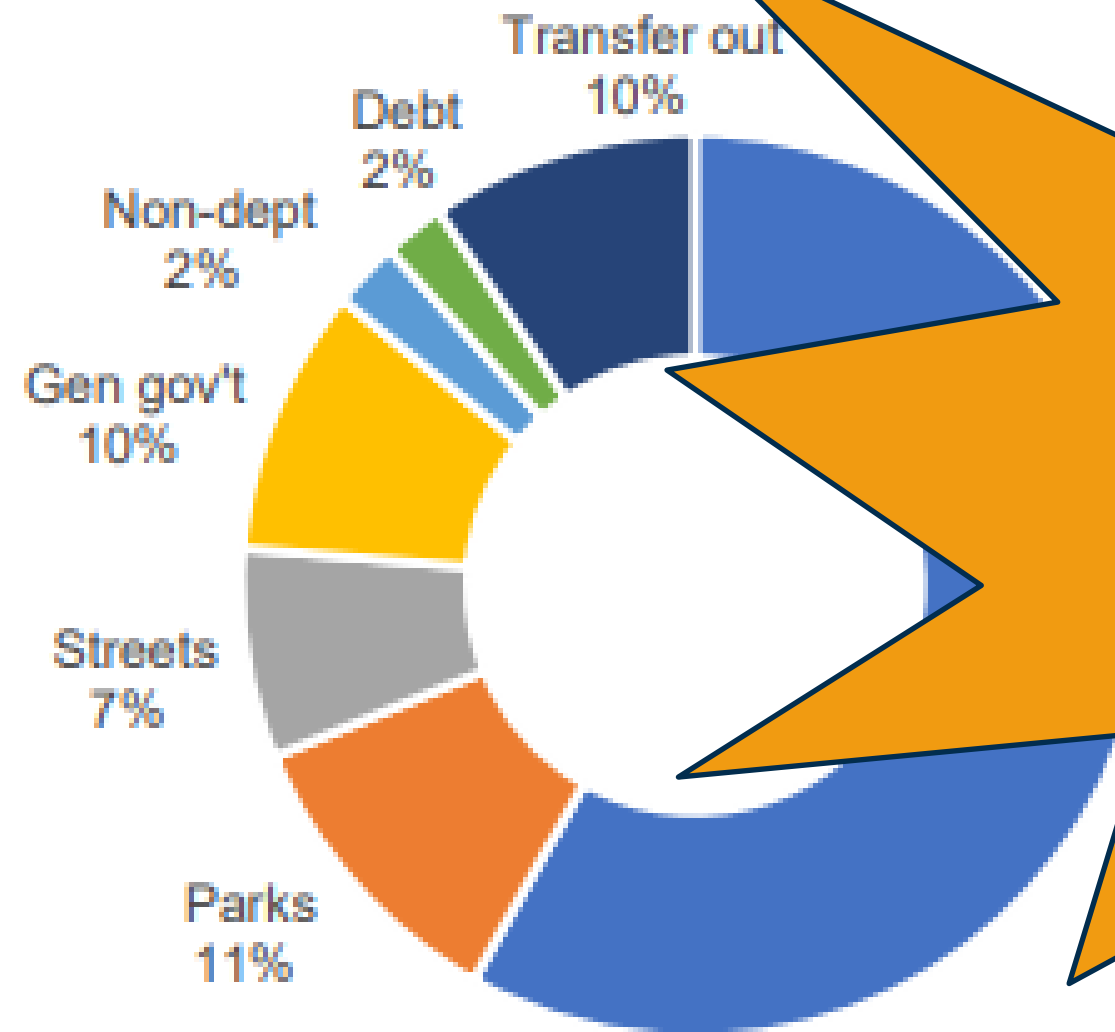


Revenues by Source

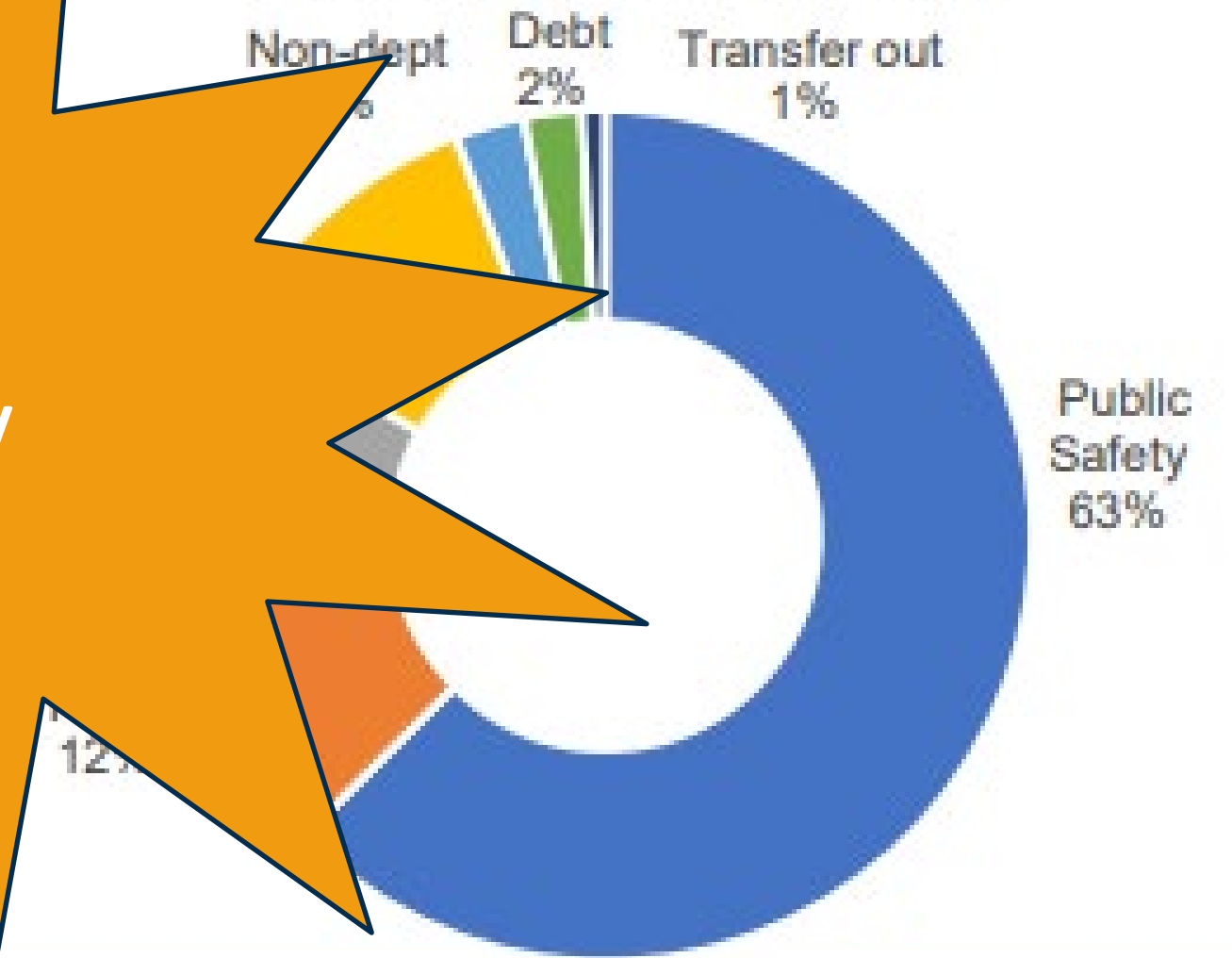
Projected 2025 Revenues by Source



FY 2024 Estimated Expenditures



FY 2025 Budget Expenditures



Add Sandy

Council Responsibility

Make Tentative Budget
available to Public



Provide Notice of
Public Hearing



- Tentative budget available to the public at least 10 days prior to adoption
- Public Hearing date(s) set - 7 calendar days notice

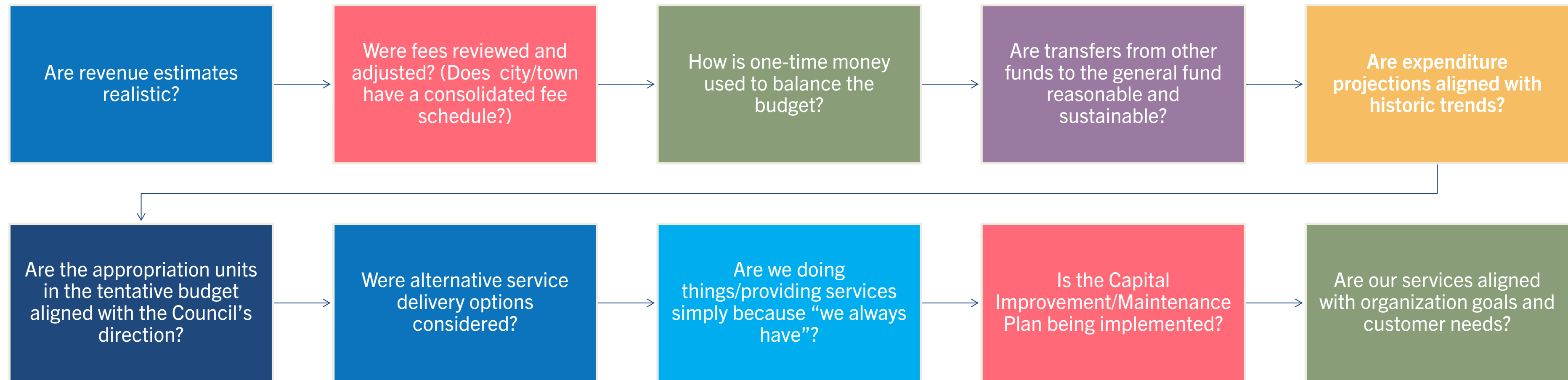
Legislative Responsibility

Make Adjustments & Adopt Final Budget



- Public deliberations & adjustments
 - Additional meetings?
 - Working meetings and straw polls?
 - Legislative intent language?
- Adopt tax rate by June 22
- Adopt budget before June 30

Points to consider when reviewing the tentative budget

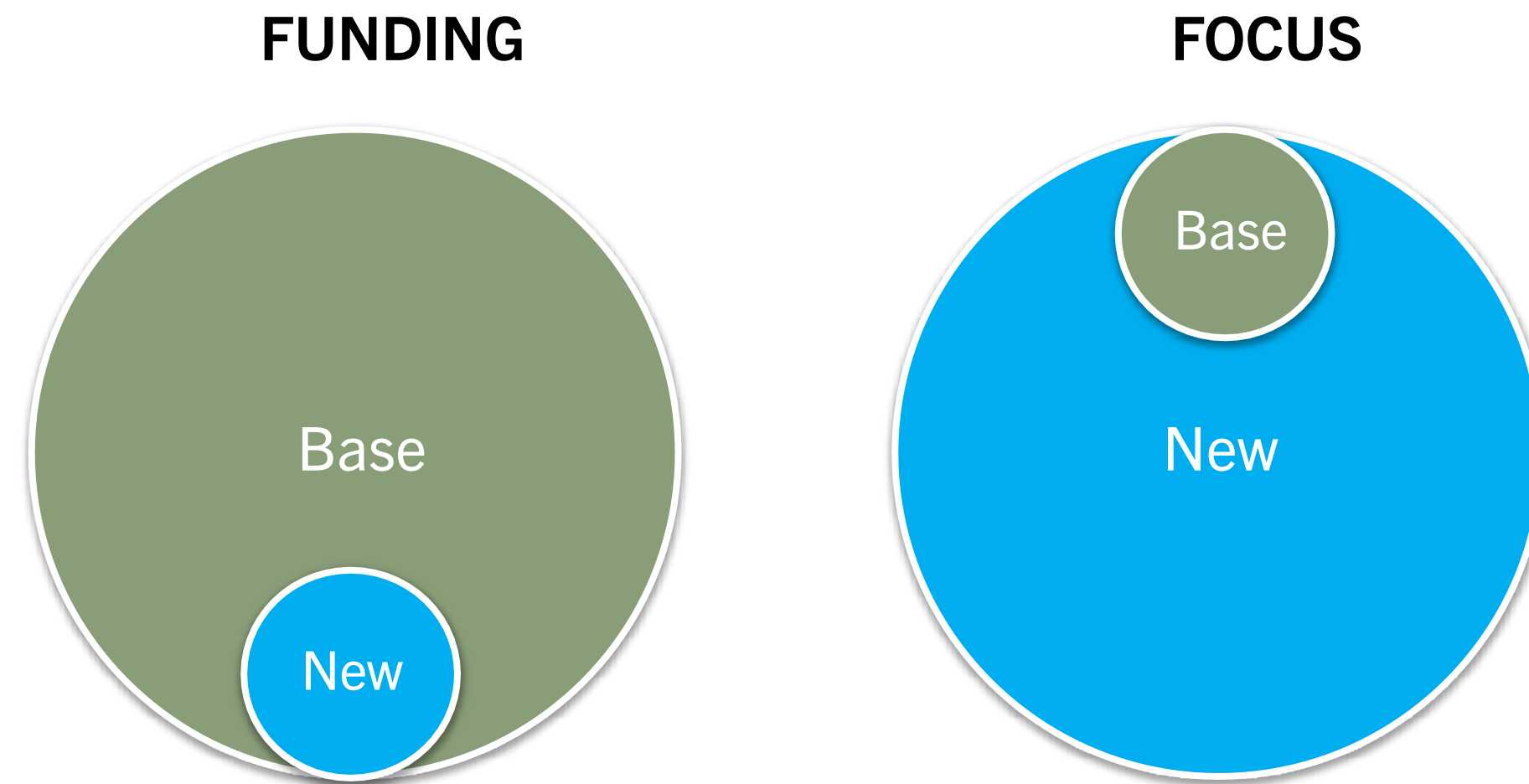


Can you begin to shift the focus?

What are you buying vs. what are you spending?

Presently: 95% of all spending decisions are based on what was done last year

Focus tends to only be on the new money/programs



Legislative Responsibility*



Monitor and Amend

- Administrative Program Managers monitor monthly
 - Adjust as necessary within appropriation levels
- Council monitors
 - Monthly &/or Quarterly (usually set by ordinance)
 - Amend as necessary between appropriation levels

***Administration monitors to ensure they are implementing properly.**

Council, however, has large monitoring role for policy compliance.

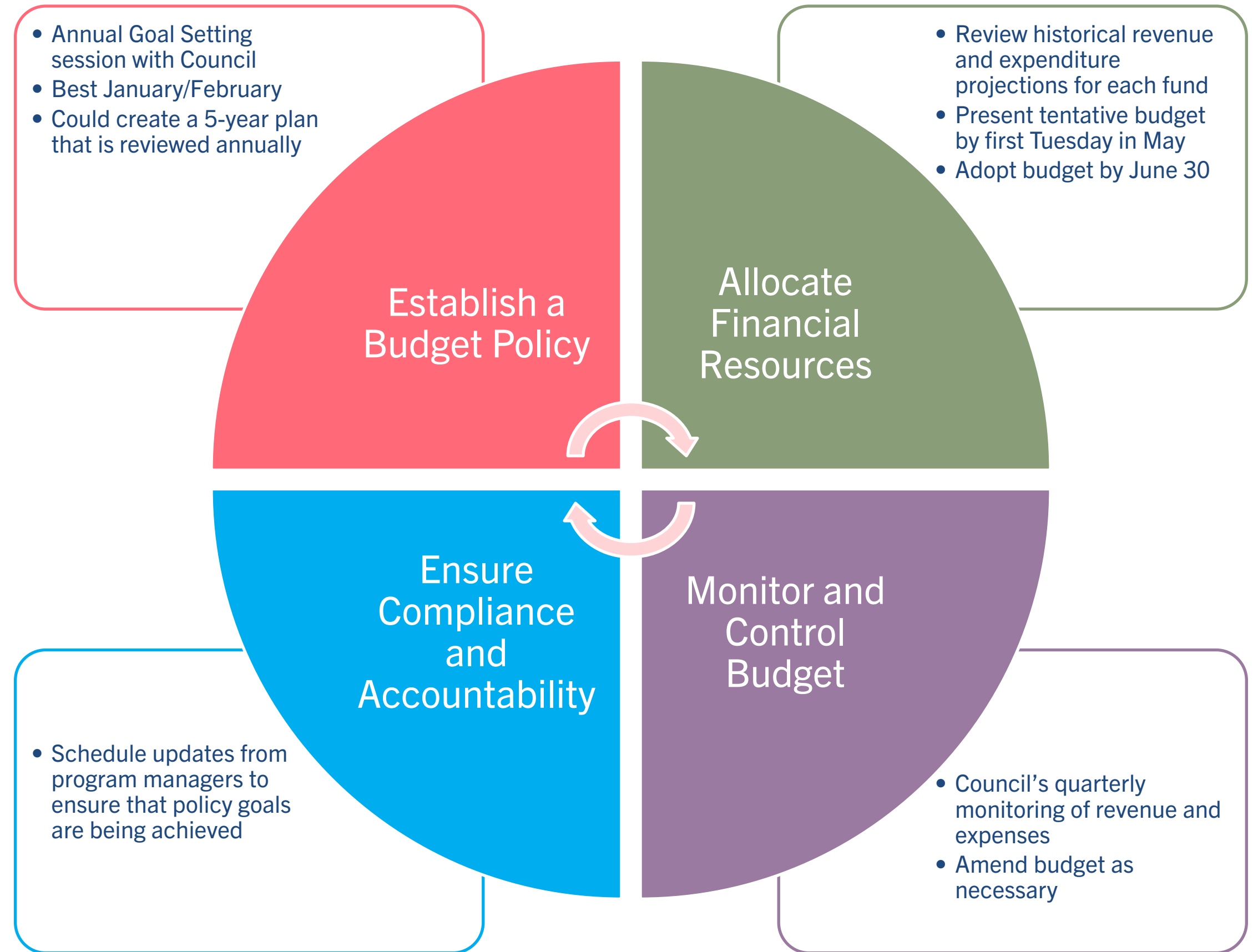
Both should monitor revenue and expenditures.



Deep Dive: Monitoring the Budget



Policy should drive the numbers; the numbers should not drive the policy.



Monitoring the budget

- Focus on **Revenue**

- Part Art
- Part Science
- Part Philosophy
- Part Luck



- Keep an Eye on **Expenses**

- Hard to control, especially if you don't find problems early
- Never fund full-time employees – or for that matter other ongoing budget gifts – for Christmas!

Council Monitoring for Policy Compliance

- Annual Financial Audit
- Quarterly performance reporting – that
- Legislative Policy Intent
- Routine performance review
- Staffing Document/Vacancy Reports
- Capital Projects Fund



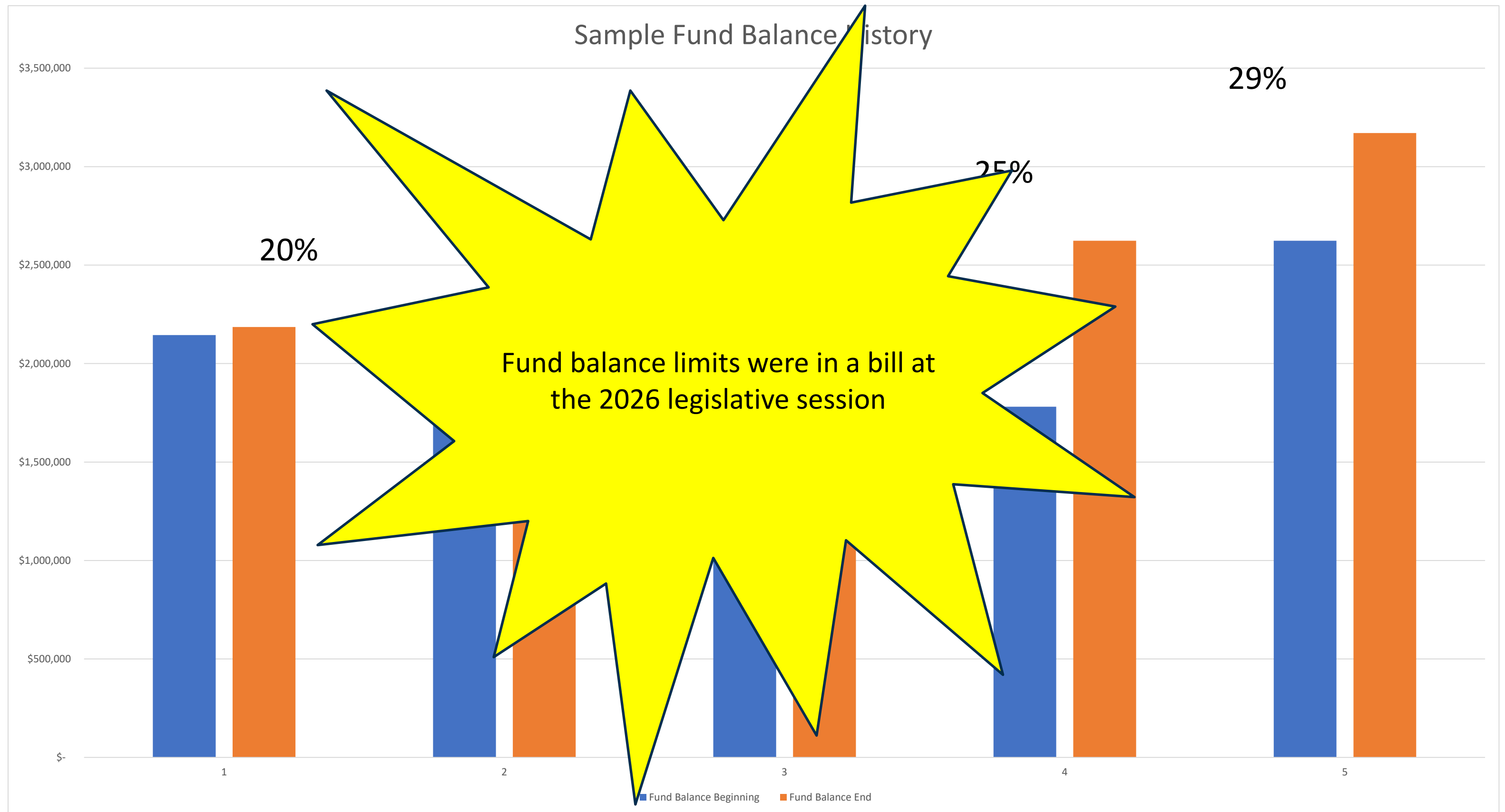
Finish slide

Effective Ways to monitor the expense budget and implementation of policy

- Periodic Financial Reports
 - Monthly for program managers
 - Quarterly for legislative body
- Audit Reports
 - How often do you re-bid professional services? Policy?
- Legislative Intent Reports
 - Does the Council issue LI and expect follow up?
 - Capital project example – Washington Terrace
- Performance Audits
 - Does the Council fund performance audits of programs/systems?
 - Relationship with local higher educational institution? Opportunities?
- Historic Revenue and Expenditure Analyses
 - Fan of 5-year model



Monitoring policy example



Monitoring the Expense Budget

STRETCH DOLLARS – WATCH FOR NATURAL UNDER EXPEND

- Staff turn over often results in under expend
- Reward programs for creating under expend by sharing the savings with one-time wish lists
- **Begin to focus on outcomes rather than outputs** – forces systems thinking



Monitoring the Expense Budget

- **BUDGET CREEP:**

- Mid-Year Job Reclassifications/Raises
- Hiring Above the Entry Level
- Accrual of Comp Time
- Grants Received, especially if a match is required
- Contract increases and change orders



- **OTHER BUDGET FOCUSED IDEAS:**

- If you don't understand it, ask questions until you do
- Become a quality-focused – outcome oriented and continuous improvement-based
- Be creative and test new ideas
- Do not be afraid to educate the public about the real cost of services

Quarterly Monitoring Example

Public Works Budget						
	Actual PY	Budget CY	YTD Actual 12/31/2017	PY Actual 12/31/2016	YTD Actual Compared to budget	Difference to Budget %
Public Works Administration						
Personnel	\$ 313,662	\$ 409,135	\$ 192,293	\$ 153,694	\$ 216,842	47%
Operations	\$ 24,028	\$ 15,650	\$ 9,703	\$ 9,611	\$ 5,947	62%
Capital	\$ -	\$ -	\$ -		\$ -	
	\$ 337,690	\$ 424,785	\$ 201,996	\$ 163,306	\$ 222,789	48%
Traffic & Signs						
Personnel	\$ 392,768	\$ 426,340	\$ 200,380	\$ 192,456	\$ 225,960	47%
Operation	\$ 152,384	\$ 151,200	\$ 74,088		\$ 77,112	49%
Capital	\$ 2,294	\$ 77,000	\$ -		\$ 77,000	0%
	\$ 547,446	\$ 654,540	\$ 274,468	\$ 192,456	\$ 380,072	42%
Maintenace Administration						
Personnel	\$ 128,393	\$ 131,500	\$ 82,056	\$ 75,752	\$ 49,444	62%
Operations	\$ 3,598	\$ 6,000	\$ 3,144	\$ 1,885	\$ 2,856	52%
Capital	\$ -	\$ -	\$ -		\$ -	
	\$ 131,991	\$ 137,500	\$ 85,200	\$ 77,637	\$ 52,300	62%
Streets						
Personnel	\$ 1,033,212	\$ 1,102,100	\$ 683,302	\$ 640,591	\$ 418,798	62%
Operations	\$ 184,126	\$ 275,000	\$ 171,325	\$ 110,476	\$ 103,675	62%
Capital	\$ 3,005	\$ 47,525	\$ 38,971	\$ -	\$ 8,555	82%
	\$ 1,220,343	\$ 1,424,625	\$ 893,598	\$ 751,067	\$ 531,028	63%
Parks						
Personnel	\$ 1,284,159	\$ 1,414,800	\$ 806,436	\$ 706,287	\$ 608,364	57%
Operations	\$ 783,096	\$ 909,600	\$ 482,088	\$ 313,238	\$ 427,512	53%
Capital	\$ 180,372	\$ 670,200	\$ 87,126	\$ 77,560	\$ 583,074	13%
	\$ 2,247,627	\$ 2,994,600	\$ 1,375,650	\$ 1,097,086	\$ 1,618,950	46%
Cemetery						
Personnel	\$ 216,751	\$ 235,000	\$ 119,850	\$ 110,543	\$ 115,150	51%
Operations	\$ 61,146	\$ 70,500	\$ 19,035	\$ 17,121	\$ 51,465	27%
Capital	\$ 3,155	\$ 5,000	\$ 4,825	\$ 3,060	\$ 175	97%
	\$ 281,052	\$ 310,500	\$ 143,710	\$ 130,724	\$ 166,790	46%
Urban Forestry & Horticulture						
Personnel	\$ 80,147	\$ 87,000	\$ 28,275	\$ 42,157	\$ 58,725	33%
Operations	\$ 28,374	\$ 34,900	\$ 4,886	\$ 3,405	\$ 30,014	14%
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 108,521	\$ 121,900	\$ 33,161	\$ 45,562	\$ 88,739	27%
PUBLIC WORKS TOTAL						
Personnel	\$ 3,449,092	\$ 3,805,875	\$ 2,112,592	\$ 1,921,482	\$ 1,693,283	56%
Operations	\$ 1,236,752	\$ 1,462,850	\$ 764,269	\$ 455,736	\$ 698,581	52%
Capital	\$ 188,826	\$ 799,725	\$ 130,922	\$ 80,620	\$ 668,804	16%
TOTALS	\$ 4,874,670	\$ 6,068,450	\$ 3,007,783	\$ 2,457,838	\$ 3,060,667	50%
Personnel as % of Total		71%	63%	70%	78%	55%

High % =
hard to
correct
shortfall

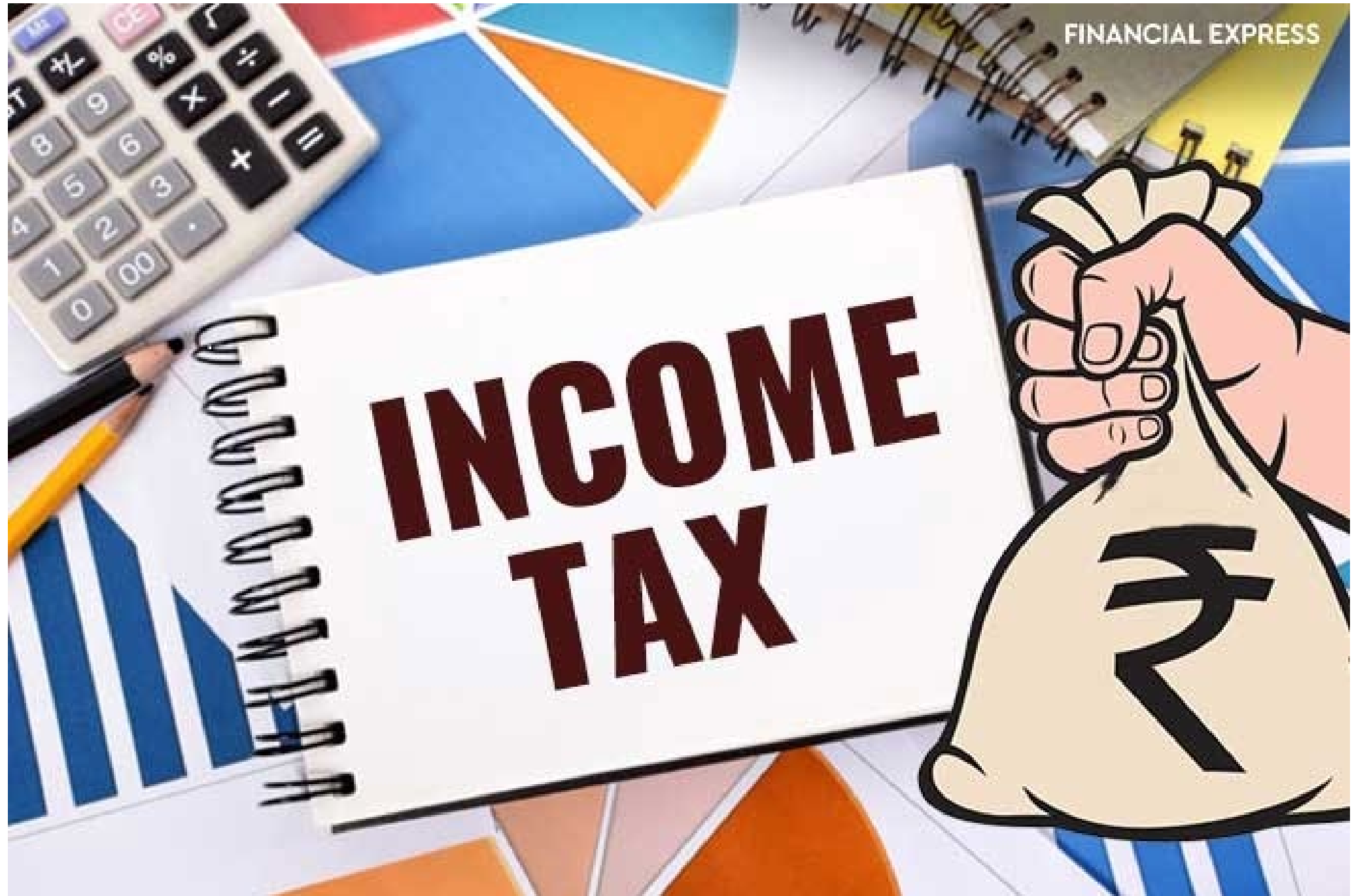


Deep Dive: Municipal Revenue in Utah



Group Game...
Can
municipalities
fish in the
revenue
stream?







Alcoholic Beverage Abuse Enforcement

Effective 5/1/2024

32B-2-404. Alcoholic Beverage and Substance Abuse Enforcement and Treatment Restricted Account distribution.

- (1) (a) The money deposited into the account under Section 32B-2-403 shall be distributed to municipalities and counties:
- (i) to the extent appropriated by the Legislature, except that the Legislature shall appropriate each fiscal year an amount equal to at least the amount deposited in the account in accordance with Section 59-15-109; and
 - (ii) as provided in this Subsection (1).
- (b) The amount appropriated from the account shall be distributed as follows:
- (i) 25% to municipalities and counties on the basis of the percentage of the state population residing in each municipality and county;
 - (ii) 30% to municipalities and counties on the basis of each municipality's and county's percentage of the statewide convictions for all alcohol-related offenses;
 - (iii) 20% to municipalities and counties on the basis of the percentage of the following in the state that are located in each municipality and county:
 - (A) state stores;
 - (B) package agencies;
 - (C) retail licensees; and
 - (D) off-premise beer retailers; and
 - (iv) 25% to the counties for confinement and treatment purposes authorized by this part on the basis of the percentage of the state population located in each county.
- (c) (i) Except as provided in Subsection (1)(c)(ii), if a municipality does not have a law enforcement agency:
- (A) the municipality may not receive money under this part; and







Sales Tax in Utah

A tax on most goods and selected services – the largest source of general fund revenue for cities and towns in Utah. (\$1B collected in FY 2025.)

- There are many different sales tax opportunities in Utah, but all might not be open to every community
 - General Rate
 - Transit and Highway Rates
 - Hospital Rates
 - Arts & Zoo Rates
 - City and Town Optional Rates
 - Impacted Community Rates
- Local officials have choices when deciding which optional sales tax rates to assess
- Sales taxes typically contribute 40-50% of a local government's revenue

Sales Tax in Utah

- Total Sales Tax Rates range from 6.35% to 9.85% -- average is 7.08%
- Typical make-up of sales tax in a 6.35% community:
 - 4.85% - State of Utah sales tax
 - 1.00% - Local sales tax (50% point of sale; 50% population)
 - 0.25% - County option sales tax
 - 0.25% - Transportation Infrastructure sales tax OR County Option Transportation sales tax

Which entity's sales tax rate is higher?



8.25%

- State – 4.85%
- Local Option – 1.0%**
- County Option – 0.25%
- Mass Transit – 0.30%
- Add'l Mass Transit – 0.25%**
- County Option Transportation – 0.25%
- Transportation Infrastructure – 0.25%
- Arts & Zoo – 0.10%**
- Correctional Facility Tax – 0.50%**
- Capital City Revitalization – 0.50%**



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Highest – 8.75%

- State – 4.85%
- Local Option – 1.0%**
- County Option – 0.25%
- Add'l transit local – 0.30%**
- Rural Hospital – 1.0%
- Resort Community Tax – 1.10%**



Lowest – 7.45%

- State – 4.85%
- Local Option – 1.0%**
- County Option – 0.25%
- Mass Transit – 0.25%
- Mass Transit Fixed Guideway – 0.30%
- County Airport, Highway, Public Transit – 0.25%
- Add'l Transit Local – 0.25%**
- County Public Transit – 0.20%
- Arts & Zoo – 0.10%**



8.35%

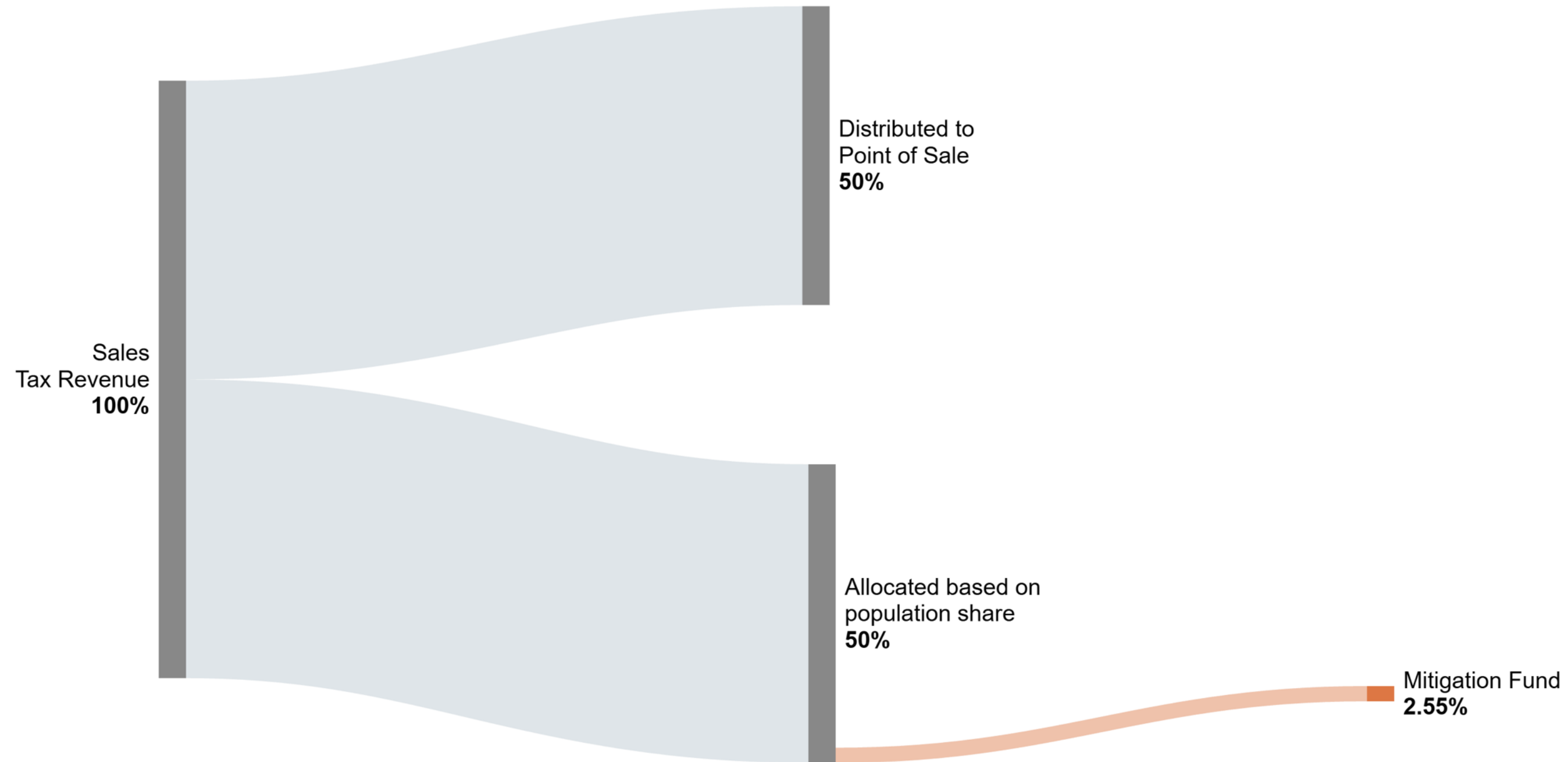
- State – 4.85%
- Local Option – 1.0%**
- County Option – 0.25%
- Transportation Infrastructure – 0.25%
- Rural Hospital – 1.0%
- Resort Community Tax – 1.0%**

Sandy's rate.



Sandy's sales tax
components

Local Option Sales Tax Distribution



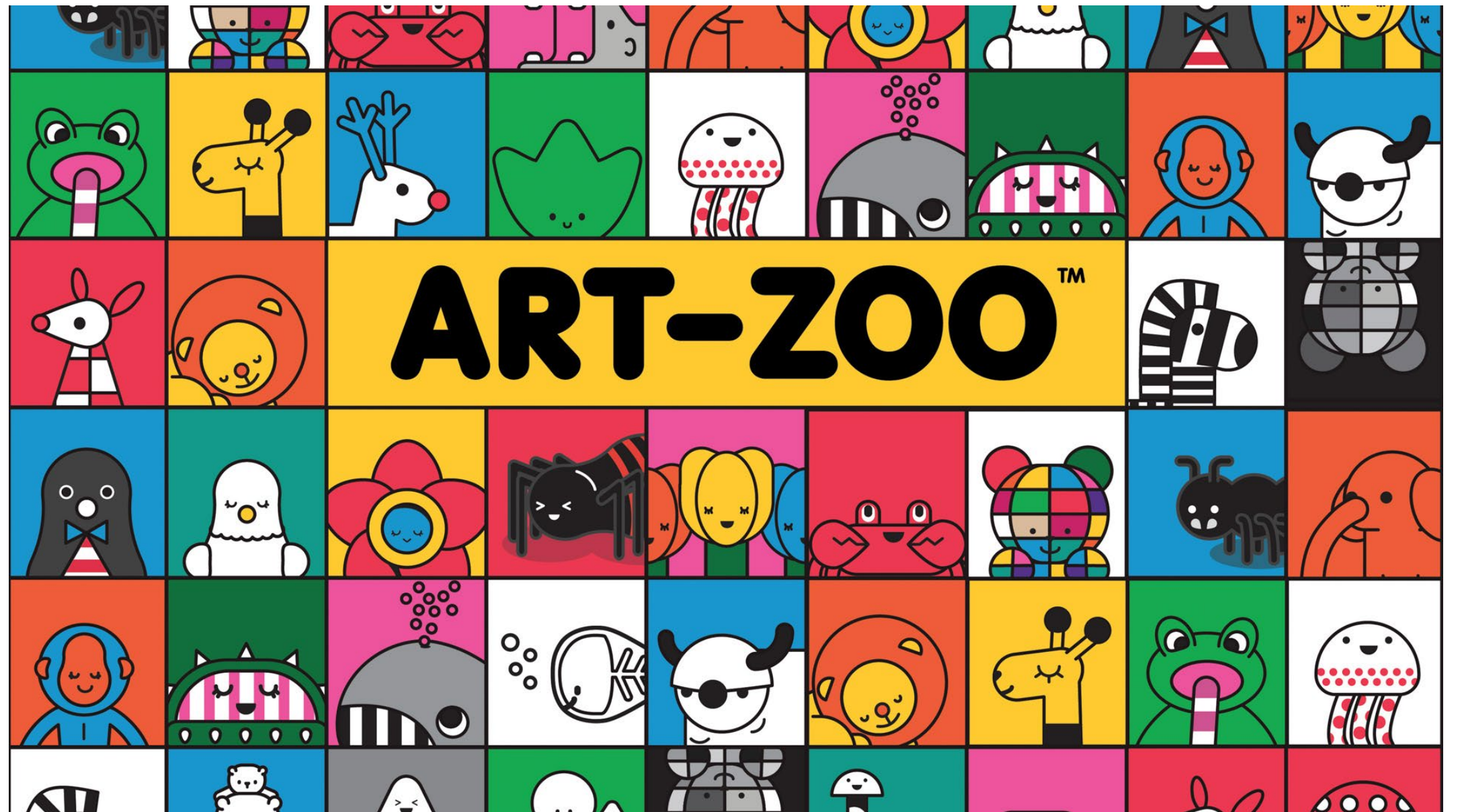
Rural City Hospital Tax

Effective 5/7/2025

59-12-804. Imposition of rural city hospital tax -- Base -- Rate -- Administration, collection, enforcement, and interpretation of tax -- Administrative charge. .

- (1) (a) A city legislative body may impose a sales and use tax of up to 1%:
 - (i) on the transactions described in Subsection 59-12-103(1) located within the city; and
 - (ii) to fund rural city hospitals in that city.
 - (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax under this section on:
 - (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and
 - (ii) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients.
 - (c) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.
 - (d) A city legislative body imposing a tax under this section shall impose the tax on the purchase price or sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.
- (2) (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall obtain approval to impose the tax from a majority of the:
 - (i) members of the city legislative body; and
 - (ii) city's registered voters voting on the imposition of the tax.





Arts and Zoo Tax

- Can only be implemented by a municipality if the county in which the municipality resides does NOT assess an art and zoo tax.
- Counties that have enacted an art and zoo tax include:
 - Cache County
 - Morgan County
 - Salt Lake County
 - Summit County
 - Uintah County
 - Wasatch County
 - Washington County
 - Weber County



Resort Community Tax

INDEX STAT CODE

Title 59 Revenue and Taxation

Chapter Sales and Use Tax Act

12

Part 4 Impacted Communities Taxes Act

Section Resort communities tax authority for cities, towns, military installation development authority, and fairpark district -- Base -- Rate --
401 Collection fees. (Effective 7/1/2025) (Superseded 1/1/2026)

Effective 7/1/2025

Superseded 1/1/2026

59-12-401. Resort communities tax authority for cities, towns, military installation development authority, and fairpark district -- Base -- Rate -- Collection fees.

- (1) (a) In addition to other sales and use taxes, a city or town in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent population may impose a sales and use tax of up to 1.1% on the transactions described in Subsection 59-12-103(1) located within the city or town.
- (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this section on:
- (i) (A) the sale of a motor vehicle, an aircraft, a watercraft, a modular home, a manufactured home, or a mobile home;
 - (B) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and
 - (C) except as provided in Subsection (1)(d), amounts paid or charged for food and food ingredients; or
 - (ii) transactions that occur in the district sales tax area, as defined in Subsection (4), if the fairpark district, as defined in Subsection (4), has imposed a tax under Subsection (4).
- (c) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.
- (d) A city or town imposing a tax under this section shall impose the tax on the purchase price or the sales price for amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.



Municipal Transient Room Tax

Effective 5/7/2025

Superseded 1/1/2026

59-12-352. Transient room tax authority for municipalities, military installation development authority, Utah Fairpark Area Investment and Restoration District, and Point of the Mountain State Land Authority -- Purposes for which revenues may be used.

- (1) (a) Except as provided in Subsection (5), the governing body of a municipality may impose a tax of not to exceed 1% on charges for the accommodations and services described in Subsection 59-12-103(1)(i).
 - (b) Subject to Section 63H-1-203, the military installation development authority created in Section 63H-1-201 may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within a project area described in a project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the authority were a municipality.
 - (c) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within the district sales tax area, as defined in Section 11-70-101, to the same extent and in the same manner as a municipality may impose a tax under this section.
- (2) Subject to the limitations of Subsection (1), a governing body of a municipality may, by ordinance, increase or decrease the tax under this part.
 - (3) A governing body of a municipality shall regulate the tax under this part by ordinance.
 - (4) A municipality may use revenues generated by the tax under this part for general fund purposes.
 - (5) (a) A municipality may not impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within:
 - (i) a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act; or
 - (ii) the district sales tax area, as defined in Section 11-70-101.
 - (b) Subsection (5)(a) does not apply to:
 - (i) the military installation development authority's imposition of a tax under this section; or
 - (ii) the imposition of a tax under this section by the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201.

Municipal Transient Room Tax

137 of Utah's 255 cities/towns are collecting transient room tax in 2025.

Tax can be up to 1%.

Can be charged to short term rentals.

If you are not collecting this tax, should you consider?

What is Transient Room Tax?

Transient room tax (TRT) can be imposed by a county, city or town to rent temporary lodging for stays of less than 30 consecutive days at:

- Hotels
- Motels
- Inns
- Trailer courts
- Campgrounds
- Tourist homes
- Similar accommodations

TRT is charged in addition to sales and other applicable taxes. However, it doesn't apply to charges for:

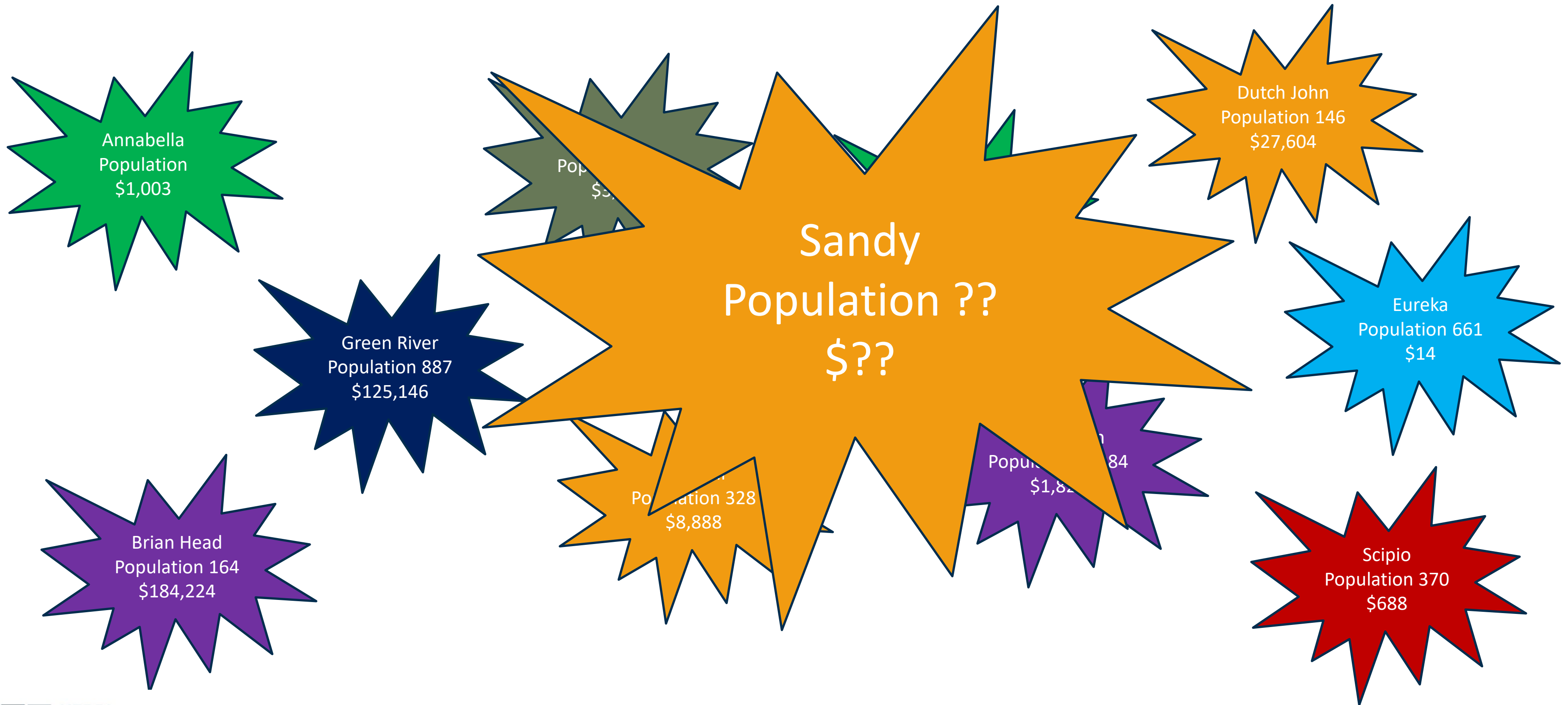
- Exercise facilities
- Dry cleaning services
- Safety deposit box rentals
- Telephone charges
- Vending machines sales
- Video/movie charges
- Rooms not used for lodging (meeting and convention rooms, etc.)

See [Pub 56, Sales Tax Information for Lodging Providers](#) or the online [Sales & Use Tax Workshop](#) for more information on all TRT and lodging accommodations.

Transient Room Tax

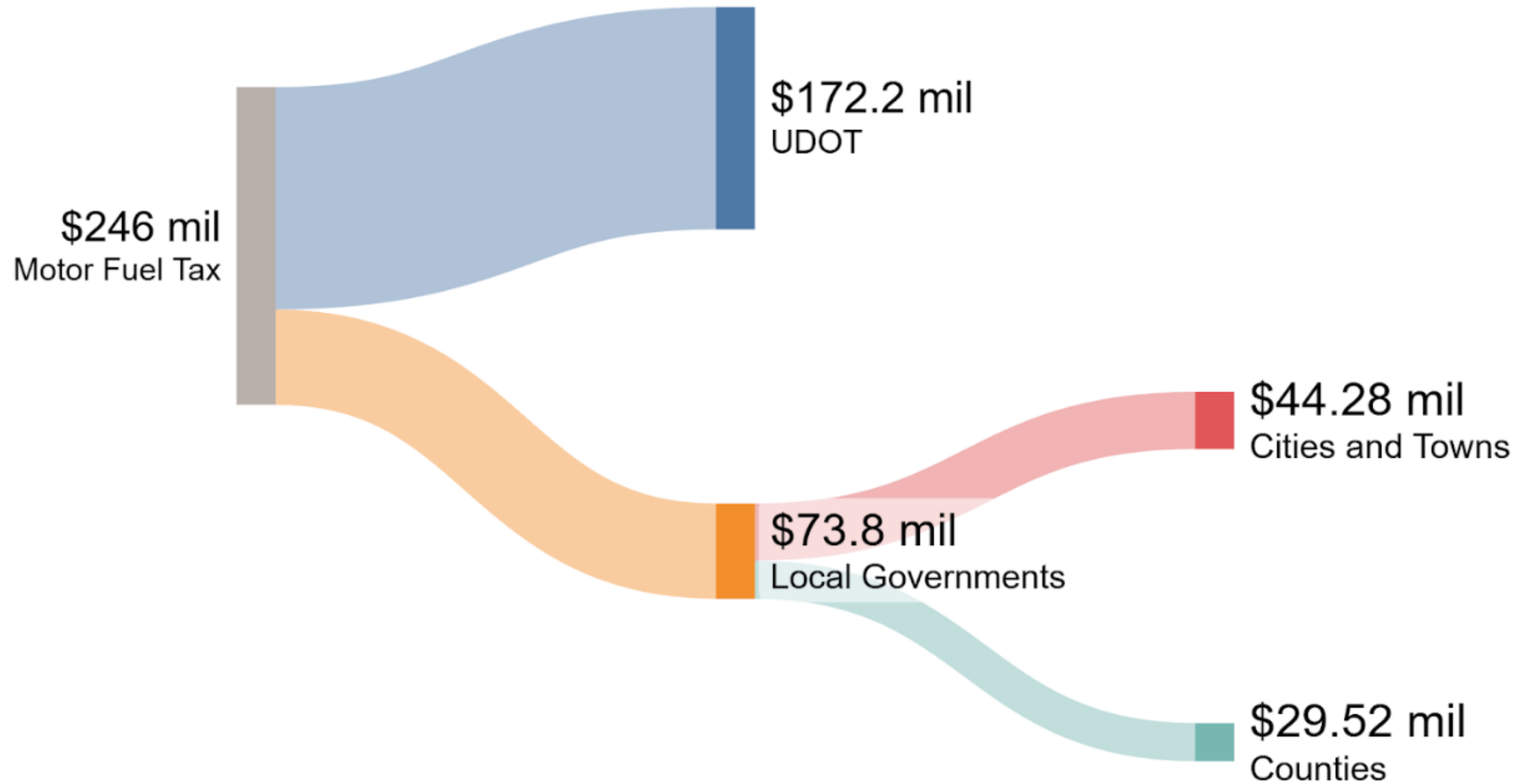
American Fork	Coalville	Heber	Leeds	Morgan City	Riverdale	Taylorsville
Annabella	Cottonwood Heights	Helper	Lehi	Mt. Pleasant	Riverton	Tooele
Aurora	Delta	Henefer	Lindon	Murray	Rockville	Toquerville
Ballard	Draper	Henrieville	Loa	Naples	Roosevelt	Torrey
Beaver City	Dutch John	Herriman	Logan	Nephi	Salina	Tremonton
Bicknell	Eagle Mountain	Hideout	Lyman	North Logan	Salt Lake City	Tropic
Big Water	Emery City	Hildale	Manila	North Salt Lake	Sandy City	Uintah
Blanding	Enterprise	Holladay	Manti	Ogden	Santa Clara	Vernal
Bluffdale	Ephraim	Huntington	Mantua	Orderville	Saratoga Springs	Vineyard
Bluffdale	Escalante	Huntsville	Marriott-Slaterville	Orem	Scipio	Virgin
Boulder	Eureka	Hurricane	Marysvale	Panguitch	South Jordan	Washington City
Bountiful	Farmington	Hyrum	Midvale	Park City	South Salt Lake	Wellington
Brian Head	Farr West	Ivins	Midway	Parowan	South Weber	West Bountiful
Brigham City	Ferron	Joseph	Milford	Payson	Spanish Fork	West Haven
Brighton	Fillmore	Kamas	Millcreek	Perry	Spring City	West Valley City
Bryce Canyon	Garden City	Kanab	Minersville	Pleasant Grove	Springdale	Willard
Cannonville	Glendale	Kannaraville	Moab	Price	Springville	Woods Cross
Castle Dale	Green River	La Verkin	Mona	Providence	St. George	
Cedar City	Hanksville	Lakepoint City	Monicello	Provo	Sterling	
Clearfield	Hatch	Layton	Monroe	Richfield	Sunset	

Transient Room Tax 2024-25 Revenue Examples





Gas Tax



Local Transit and Transportation Funding

Municipal Transportation Funding Opportunities

Tax/Fee	Sometimes Called	Who can Implement	Statutory Reference	Maximum Levy	Uses	Stipulations
Mass Transit Tax	First Quarter	County, City, Town	59-12-2213	0.25%	Public transit	Either this or Highway tax may be imposed, not both; levy may increase to 0.30% if 2216 is <u>not</u> imposed
Highways Tax	First Quarter	City, town	59-12-2215	0.30%	All modes	Cannot be imposed if the mass transit tax is imposed
Additional Mass Transit Tax	Second Quarter	County, City, Town	59-12-2214	0.25%	Public transit, airport facility in certain circumstances	Either this or the Mass Transit Fixed Guideway tax may be imposed, not both
Mass Transit Fixed Guideway	Second Quarter	County	59-12-2216	0.30%	All modes	Cannot be imposed if the Mass Transit or Additional Mass Transit Tax is imposed. Third- through sixth-class counties may use the revenue for public safety purposes.
County Option Transportation Tax	Third Quarter	County	59-12-2217	0.25%	All modes	Either this or the County Airport, Highway, and Public Transit tax may be imposed, not both.
County Airport, Highway, Public Transit Tax	Third Quarter	Second-class county, city, or town	59-12-2218	0.25%	All modes	Cannot be imposed if the County Option Transportation Tax is imposed.
Transportation Infrastructure	Fourth Quarter	County	59-12-2219	0.25%	All modes	
County Public Transit	"Fifth fifth" (Fifth quarter)	County	59-12-2220	0.20%	Public transit, all modes, public safety in certain circumstances	
Supplemental State Sales & Use Tax		State imposed in certain cities, towns, and unincorporated areas	59-12-2003	0.30%	Public transit	May not be imposed within first- or second- class counties that impose the first or second quarter.
Local Option Highway Construction and Transportation Corridor Preservation Fee		County	41-1a-1222	\$10 per motor vehicle registration	Highway construction	

Local Mass Transit Tax (first quarter. May not be imposed if highway tax is imposed)

[<< Previous Section \(59-12-2212.1\)](#)

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[Next Section \(59-12-2214\) >>](#)

Index Utah Code

Title 59 Revenue and Taxation

Chapter 12 Sales and Use Tax Act

Part 22 Local Option Sales and Use Taxes for Transportation Act

Section 2213 County, city, or town option sales and use tax to fund a system for public transit -- Base -- Rate.

59-12-2213. County, city, or town option sales and use tax to fund a system for public transit -- Base -- Rate.

- (1) Subject to the other provisions of this part, a county, city, or town may impose a sales and use tax under this section of up to:
 - (a) for a county, city, or town other than a county, city, or town described in Subsection (1)(b), .25% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town to fund a system for public transit; or
 - (b) for a county, city, or town within which a tax is not imposed under Section 59-12-2216, .30% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town, to fund a system for public transit.
- (2) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not required to submit an opinion question to the county's, city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section if the county, city, or town imposes the sales and use tax under Section 59-12-2216 on or before July 1, 2011.

Local Highway Tax (first quarter. May not be imposed if mass transit tax is imposed)

[<< Previous Section \(59-12-2214\)](#)

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[Next Section \(59-12-2216\) >>](#)

[Index Utah Code](#)

[Title 59 Revenue and Taxation](#)

[Chapter 12 Sales and Use Tax Act](#)

[Part 22 Local Option Sales and Use Taxes for Transportation Act](#)

[Section 2215 City or town option sales and use tax for highways or to fund a system for public transit -- Base -- Rate. *\(Effective 5/12/2020\)*](#)

Effective 5/12/2020

59-12-2215. City or town option sales and use tax for highways or to fund a system for public transit -- Base -- Rate.

- (1) Subject to the other provisions of this part, a city or town may impose a sales and use tax of up to .30% on the transactions described in Subsection 59-12-103(1) located within the city or town.
- (2) A city or town imposing a sales and use tax under this section shall expend the revenues collected from the sales and use tax as described in Section 59-12-2212.2.
- (3) Notwithstanding Section 59-12-2208, a city, or town legislative body may, but is not required to, submit an opinion question to the city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

Additional Mass Transit Tax

(second quarter. Either this or mass transit fixed guideway can be imposed, not both.)

Title 59 Revenue and Taxation
Chapter Sales and Use Tax Act
12
Part 22 Local Option Sales and Use Taxes for Transportation Act
Section County, city, or town option sales and use tax to fund a system for public transit, an airport facility, a water conservation project, or to 2214 be deposited into the County of the First Class Highway Projects Fund -- Base -- Rate. (Effective 3/12/2025)

Effective 3/12/2025

59-12-2214. County, city, or town option sales and use tax to fund a system for public transit, an airport facility, a water conservation project, or to be deposited into the County of the First Class Highway Projects Fund -- Base -- Rate.

- (1) Subject to the other provisions of this part, a county, city, or town may impose a sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town.
- (2) Notwithstanding Section 59-12-2212.2, and subject to Subsections (3) and (4), a county, city, or town that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax:
 - (a) to fund a system for public transit;
 - (b) to fund a project or service related to an airport facility for the portion of the project or service that is performed within the county, city, or town within which the sales and use tax is imposed:
 - (i) for a county that imposes the sales and use tax, if the airport facility is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or
 - (ii) for a city or town that imposes the sales and use tax, if:
 - (A) that city or town is located within a county of the second class;
 - (B) that city or town owns or operates the airport facility; and
 - (C) an airline is headquartered in that city or town; or
 - (c) for a combination of Subsections (2)(a) and (b).
- (3) After application of Subsection 59-12-2206(5), a county of the first class that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax as follows:
 - (a) 80% of the revenues collected from the sales and use tax shall be expended to fund a system for public transit; and

City or Town Option for Highways or Public Transit

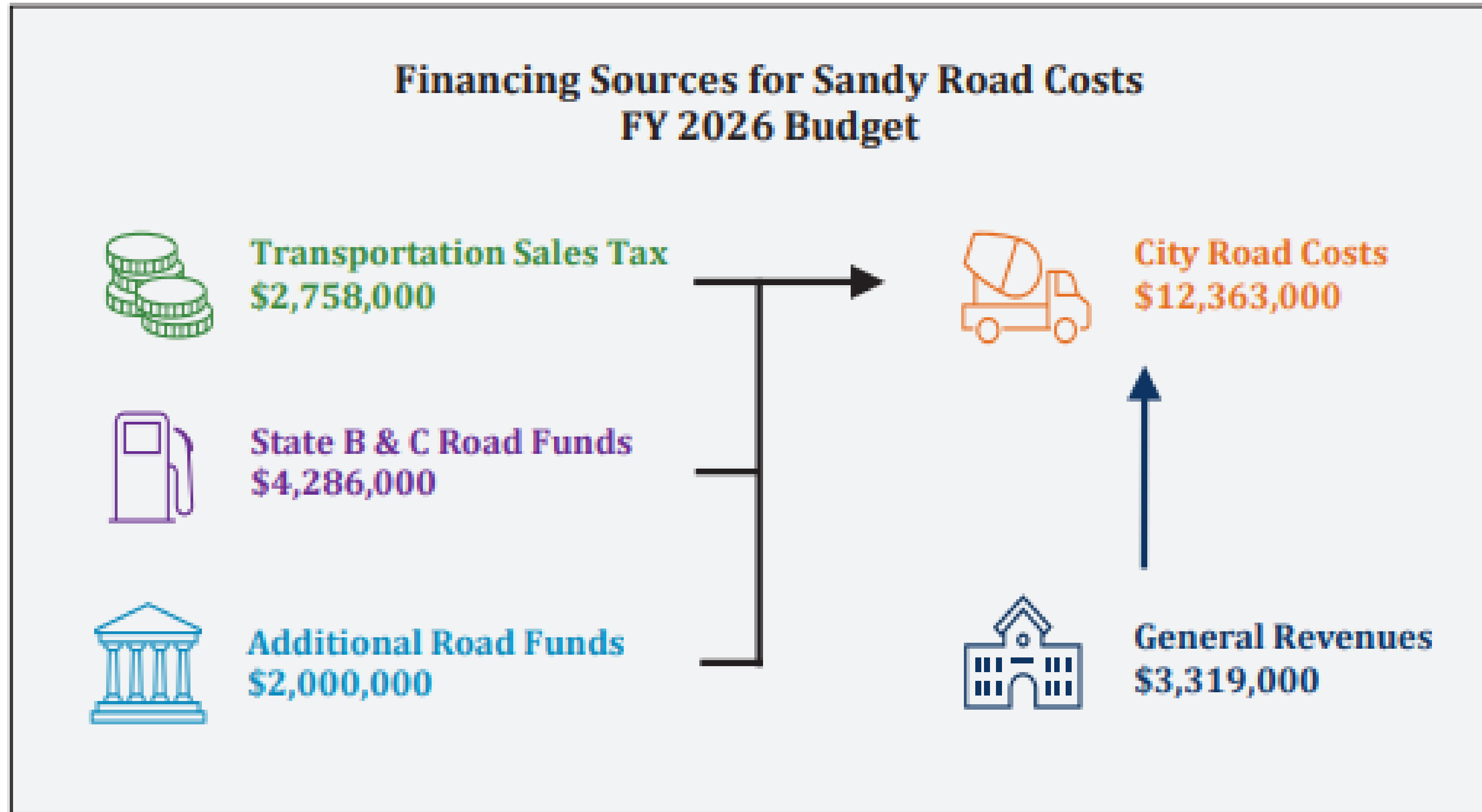
(third quarter. Cannot be imposed if the County Option Transportation Tax is imposed.)

Effective 7/1/2019

59-12-2218. County, city, or town option sales and use tax for airports, highways, and systems for public transit -- Base -- Rate -- Administration of sales and use tax -- Voter approval exception.

- (1) Subject to the other provisions of this part, and subject to Subsection (8), the following may impose a sales and use tax under this section:
 - (a) if, on April 1, 2009, a county legislative body of a county of the second class imposes a sales and use tax under this section, the county legislative body of the county of the second class may impose the sales and use tax on the transactions:
 - (i) described in Subsection 59-12-103(1); and
 - (ii) within the county, including the cities and towns within the county; or
 - (b) if, on April 1, 2009, a county legislative body of a county of the second class does not impose a sales and use tax under this section:
 - (i) a city legislative body of a city within the county of the second class may impose a sales and use tax under this section on the transactions described in Subsection 59-12-103(1) within that city;
 - (ii) a town legislative body of a town within the county of the second class may impose a sales and use tax under this section on the transactions described in Subsection 59-12-103(1) within that town; and
 - (iii) the county legislative body of the county of the second class may impose a sales and use tax on the transactions described in Subsection 59-12-103(1):
 - (A) within the county, including the cities and towns within the county, if on the date the county legislative body provides the notice described in Section 59-12-2209 to the commission stating that the county will enact a sales and use tax under this section, no city or town within that county imposes a sales and use tax under this section or has provided the notice described in Section 59-12-2209 to the commission stating that the city or town will enact a sales and use tax under this section; or
 - (B) within the county, except for within a city or town within that county, if, on the date the county legislative body provides the notice described in Section 59-12-2209 to the commission stating that the county will enact a sales and use tax under this section, that city or town imposes a sales and use tax under this section or has provided the notice described in Section 59-12-2209 to the commission stating that the city or town will enact a sales and use tax under this section.
- (2) For purposes of Subsection (1) and subject to the other provisions of this section, a county, city, or town legislative body that imposes a sales and use tax under this section may impose the tax at a rate of .25%.
- (3) (a) Except as provided in Subsection (3)(b), and subject to Subsection (4), a sales and use tax imposed under this section shall be expended as determined by the county, city, or town legislative body for uses described in Section 59-12-2217.

Sandy City Transportation Funding



NEW: Transportation Utility Fee – HB 425 in 2026

What can a TUF be used for? (59-12-2212.2)

- Development, construction, maintenance, or operation of
 - a class A road
 - a class B road
 - a class C road
 - a class D road
- Traffic and pedestrian safety infrastructure including
 - a sidewalk
 - curb and gutter
 - a safety feature
 - a traffic sign
 - a traffic signal
 - street lighting
- Streets, alleys, roads, highways, and thoroughfares or any kind, including connected structures
- An airport facility
- An active transportation facility that is for non-motorized vehicles and multimodal transportation and connects an origin with a destination
- An intelligent transportation system
- A system for public transit
- All other modes and forms of conveyance used by the public
- Debt service or bond issuance costs related to a project or facility described above
- Corridor preservation related to a project or facility described above



NEW: Transportation Utility Fee – HB 425 in 2026

- 1) Affirm legal differences between tax and fee
- 2) Narrowly tailored to TUF
- 3) “Doable; not easy but not impossible”
- 4) Transparent process
- 5) Based on a needs analysis
- 6) Local discretion on fee amount
- 7) Accountability and dedicated account
- 8) Supplement but not supplant

Thank you to the ULCT TUF workgroup that met several times throughout the 2025 (& '23, '24) interim to help craft HB 425!







Municipal Energy Tax (historically called franchise tax)

Index Utah Code

Title 10 Utah Municipal Code

Chapter 1 General Provisions

Part 3 Municipal Energy Sales and Use Tax Act

Section Energy sales and use tax -- Rate -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- 304 Exemptions. *(Effective 5/1/2024)*

Effective 5/1/2024

10-1-304. Energy sales and use tax -- Rate -- Imposition or repeal of tax -- Tax rate change -- Effective date -- Notice requirements -- Exemptions.

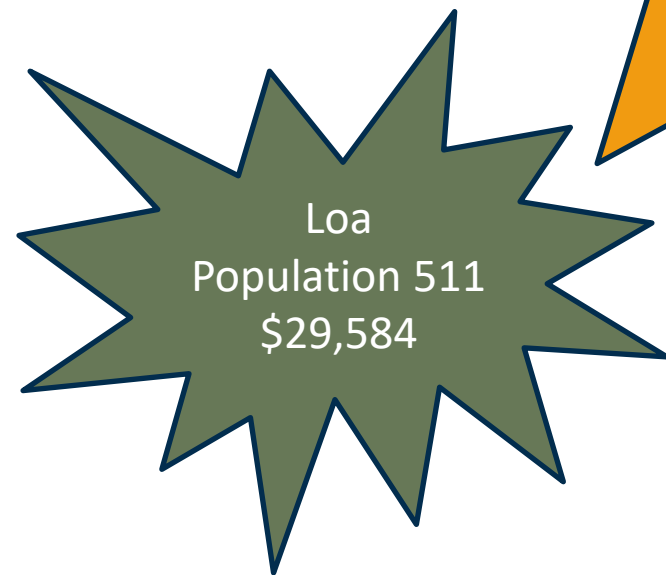
- (1) (a) Except as provided in Subsections (4) and (5), a municipality may levy a municipal energy sales and use tax on the sale or use of taxable energy within the municipality:
- (i) by ordinance as provided in Section 10-1-305; and
 - (ii) of up to 6% of the delivered value of the taxable energy.

- 108 of Utah's 255 cities/towns collected energy tax revenue in 2025.
- When imposed, tax is up to 6% of electric AND gas bill.
- If you are not collecting this tax, should you consider?

Municipal Energy Tax

Alpine	Corinne	Highland	Magna	Park City	Salem	Sunset
Alta	Cottonwood Heights	Hildale	Mapleton	Payson	Salt Lake City	Syracuse
American Fork	Draper	Holladay	Midvale	Perry	Sandy	Taylorsville
Beaver City	Duchesne City	Hurricane	Midway	Plain City	Santa Clara	Tooele City
Bicknell	Eagle Mountain	Hyrum	Milford	Pleasant Grove	Santaquin	Torrey
Bluffdale	Elk Ridge	Kamas	Millcreek	Pleasant View	Saratoga Springs	Tremonton
Bountiful	Elsinore	Kanab	Moab	Price	Smithfield	Tropic
Brian Head	Escalante	Kaysville	Monticello	Providence	South Jordan	Vernal
Brigham	Farmington	Kearns	Murray	Provo	South Ogden	Vineyard
Cedar City	Farr West	Layton	Myton	Richfield	South Salt Lake	Washington City
Centerfield	Fillmore	Lehi	Nibley	Richmond	South Weber	Washington Terrace
Centerville	Grantsville	Lindon	North Logan	Riverdale	Spanish Fork	Wellington
Charleston	Harrisville	Loa	North Salt Lake	Riverton	Spring City	West Bountiful
Clearfield	Heber	Logan	Ogden	Roosevelt	Springville	West Jordan
Clinton	Herriman	Lyman	Orem	Roy	St. George	West Point
						West Valley City
						Woodland Hills
						Woods Cross

Municipal Energy Tax





Municipal Telecommunications Tax

Index Utah Code

Title 10 Utah Municipal Code

Chapter 1 General Provisions

Part 4 Municipal Telecommunications License Tax Act

**Section Levy of telecommunications license tax -- Recovery from customers -- Enactment, repeal, or change in rate of tax -- Annexation.
403 (Effective 5/1/2024)**

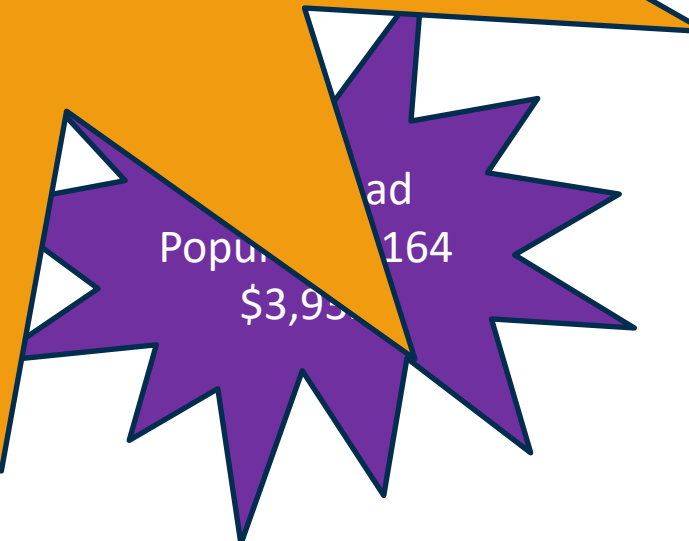
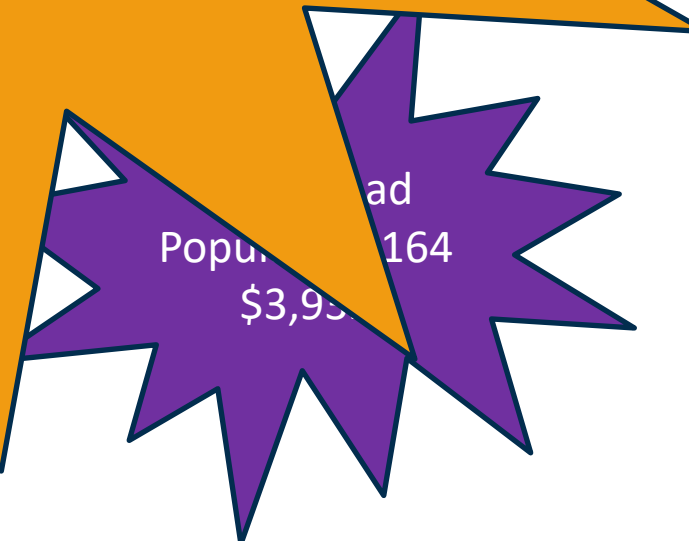
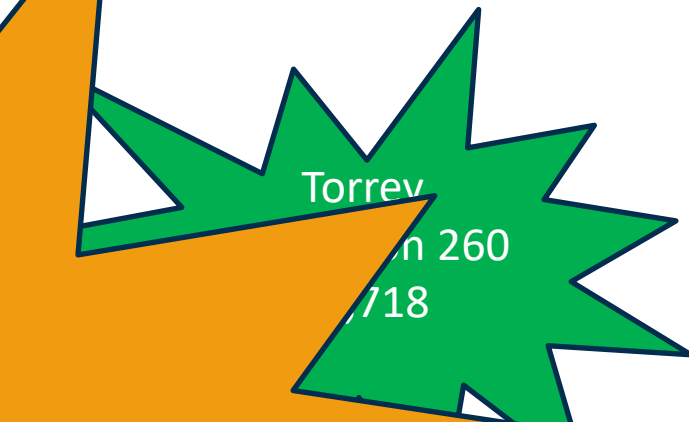
Effective 5/1/2024

10-1-403. Levy of telecommunications license tax -- Recovery from customers -- Enactment, repeal, or change in rate of tax -- Annexation.

(1) (a) (i) Subject to the provisions of this section, beginning July 1, 2004, a municipality may levy on and provide that there is collected from a telecommunications provider a municipal telecommunications license tax on the telecommunications provider's gross receipts from telecommunications service that are attributed to the municipality in accordance with Section 10-1-407.

- 168 of Utah's 255 cities/towns collected telecom tax in 2025.
- When imposed, tax is 3.5% of telecommunications portion of the telecommunications bill – no tax on internet services on cable/satellite TV
- If you are not collecting it, should you consider?

Municipal Telecommunications Tax





Public Safety fees addressed by HB 425

– Public Fee Amendments in 2026

- Prohibits a city or town from charging a general fee for public safety service
- Creates an exception for towns and cities of the third class and below that:
 - Imposed the fee before 1/1/2026 to generate revenue to pay for the city's obligation under an agreement with other political subdivisions for public safety services, and reauthorize the fee by a vote of the council every three years after 1/2/2026, OR
 - Use the fee to fund a volunteer public safety service
- All other cases: fee must be repealed by July 1, 2027

CITY OF ANYCITY
1570 North Main Street Anycity UT 84000

BUSINESS LICENSE

Expiration Date: 04/30/2019 License #: CM1520

Russel's Bakery

The person, firm or corporation named above and located at 456 S Main, is hereby granted, pursuant to the Provisions of the License Ordinance of the City of Anycity, license to do engage in, carry on or conduct, in the City of Anycity, Utah, the business, trade, calling, profession, exhibition or occupation of Food Service for a period beginning 05/09/2018 and ending 04/30/2019.

Russel's Bakery
456 S Main
Salt Lake City NH 88888

City Clerk

THIS LICENSE IS NON-TRANSFERABLE AND MUST BE POSTED IN A CONSPICUOUS PLACE



Licenses & Permits

- Utah State law allows municipalities to recover the full cost of providing the service or regulating the business.
- Utah law also allows municipalities to charge building and development fees.
- Periodically review your license and permit fees to make sure they are still recovering the cost of service or regulation.
- If you haven't increased the license or permit fee within the past three years, chances are inflation has eroded the fee and you are no longer recovering the cost of service.



Fees to reserve and use public assets

- Utah municipalities can establish use fees for community spaces
- Fees can, but don't have to, recover the full cost of service
- Fees should be reviewed and updated periodically





Understand Historical Revenue Trends





Deep Dive: Property Tax 101

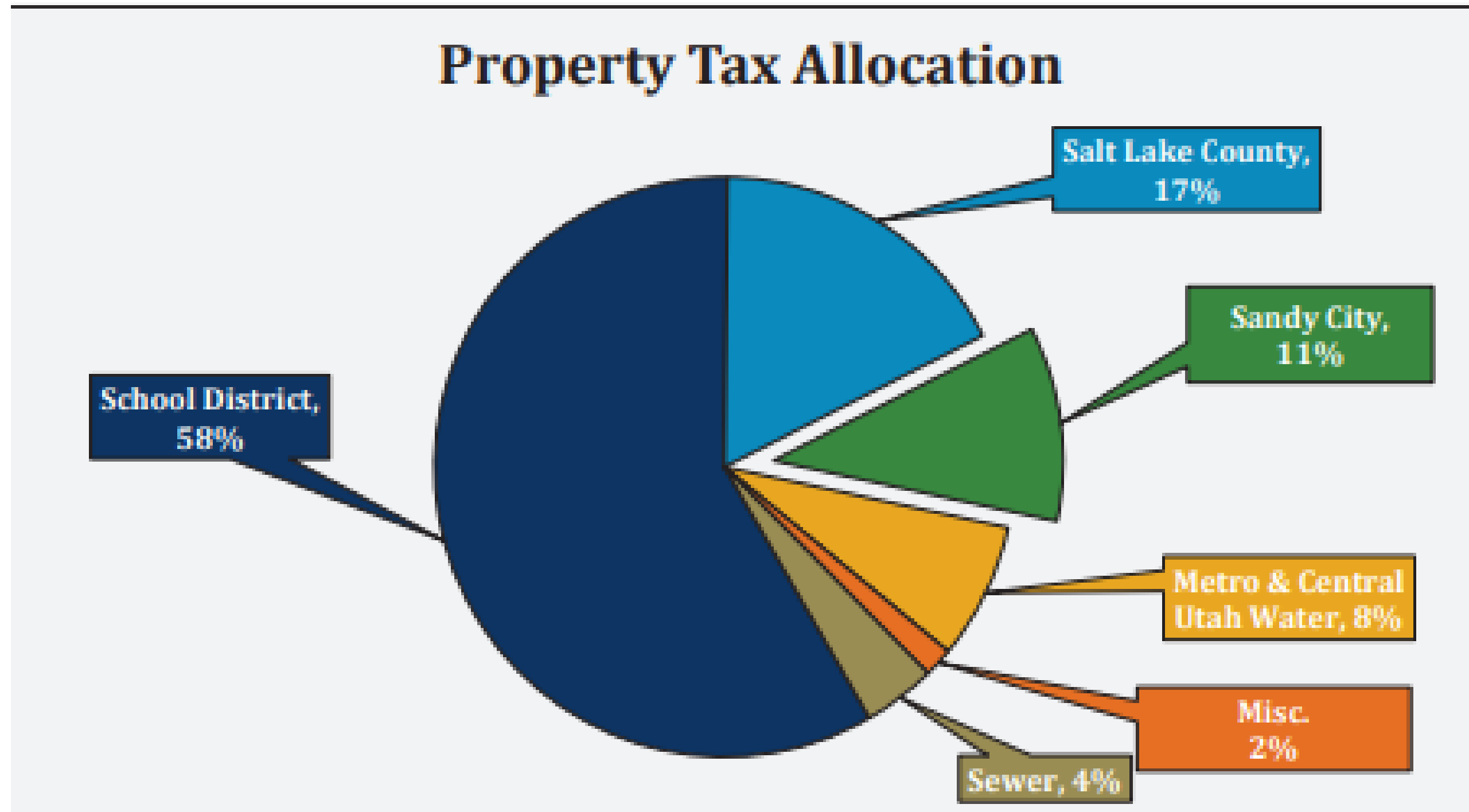


Property Taxes Generally

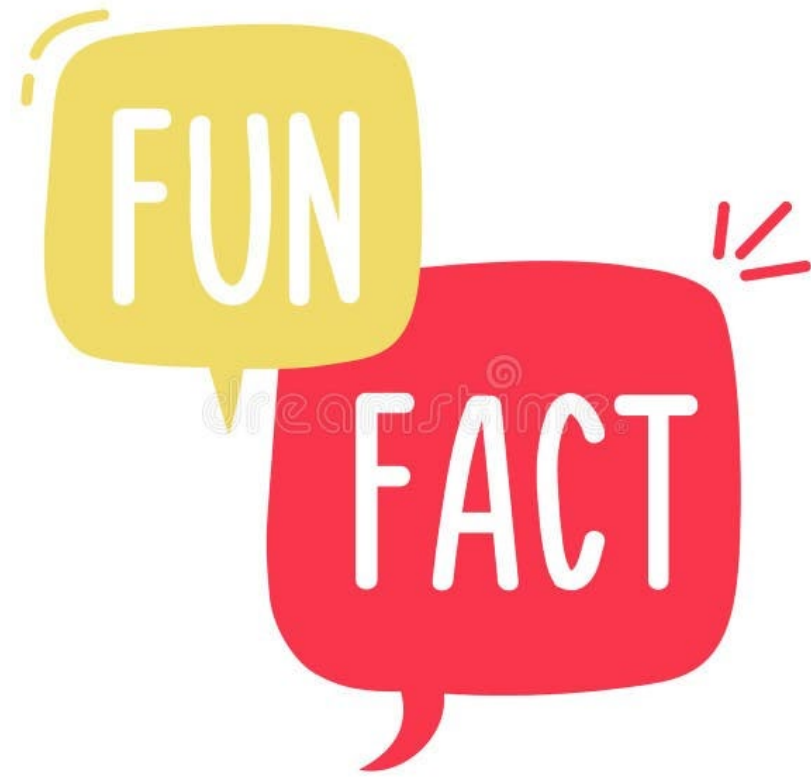
- Stable revenue source.
- In Utah all properties except primary residential properties are assessed at 100% of value.
- Everyone pays the same rate. Those with higher valuations pay more, those with lower valuations pay less.
- The only properties that do not pay are non-profits and schools.
- An unpopular tax because a bill comes once per year and most people don't understand what a fair tax it is.
- Municipalities in Utah typically account for about 20% of the total property tax bill.



Property Taxes in Sandy City



Property Tax rates in Utah are revenue driven



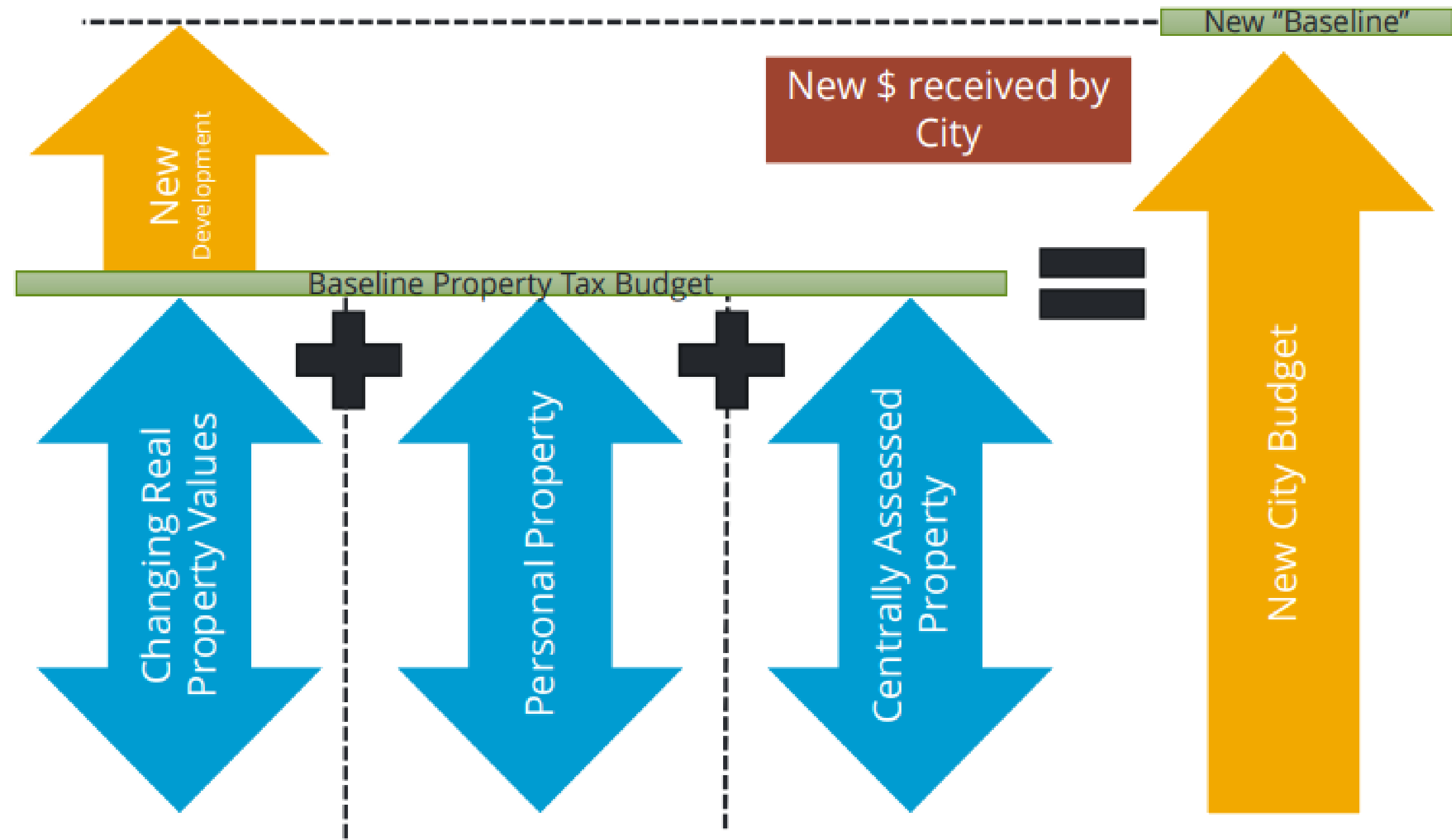
- Valuation increases do not result in higher taxes.
- Valuation increases and decreases usually result in tax burden shifts.
- There is a natural downward bias in property tax – inflation is backed out on purpose.
- Primary residential properties receive a 45% tax break.
- None of these facts are likely to change.
- Work to understand this complicated process – it is fundamental to understanding public budgets in Utah.

Want more/new property tax Revenue??

- New Growth



NEW GROWTH FORMULA

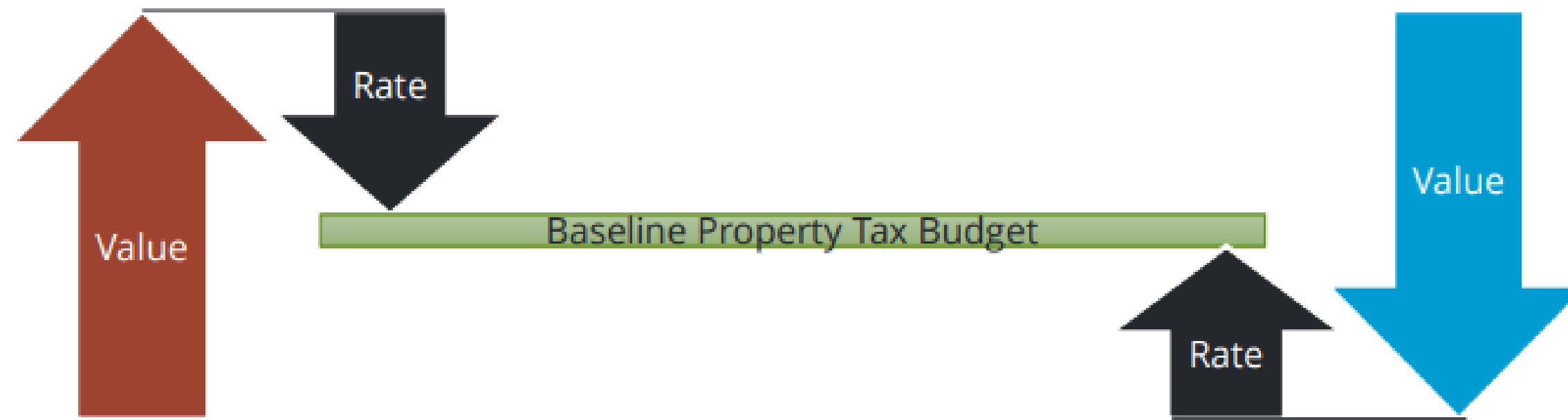


Want more/new property tax Revenue??

- New Growth
- Annex new tax areas
- Tax Rate Increase Process
(Truth-in-Taxation)



TRUTH IN TAXATION



- Holds the amount of property taxes that an entity receives constant, **regardless of changes in property value.**
- Unless the Council chooses to increase taxes to receive more revenue. This requires a “Truth in Taxation” public hearing & notice.
- One exception – “New Growth” authorized by the County & State

Property Tax Demonstration
Year 1

<p>House 1</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 2</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 3</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 4</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 5</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>
<p>House 6</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 7</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 8</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 9</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>	<p>House 10</p> <p>Mkt Value 181,818</p> <p>Tax Value 100,000</p> <p>Tax Bill 1,000</p>

Entity	
Total Base Mkt Value	1,818,182
Total Base Tax Value	1,000,000
Tax Revenue Base	10,000
Tax Revenue New Grow	-
Total Tax Revenue	10,000
Tax Rate	1.00%

Year 2

House 1	House 2	House 3	House 4	House 5
Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636
Tax Value 200,000	Tax Value 200,000	Tax Value 200,000	Tax Value 200,000	Tax Value 200,000
Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000

House 6	House 7	House 8	House 9	House 10
Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636	Mkt Value 363,636
Tax Value 200,000	Tax Value 200,000	Tax Value 200,000	Tax Value 200,000	Tax Value 200,000
Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000	Tax Bill 1,000

Entity	
Total Base Mkt Value	3,636,364
Total Base Tax Value	2,000,000
Tax Revenue Base	10,000
Tax Revenue New Grow	-
Total Tax Revenue	10,000
Tax Rate	0.50%

Year 3

House 1	
Mkt Value	181,818
Tax Value	100,000
Tax Bill	816

House 2	
Mkt Value	190,909
Tax Value	105,000
Tax Bill	857

House 3	
Mkt Value	200,000
Tax Value	110,000
Tax Bill	898

House 4	
Mkt Value	209,091
Tax Value	115,000
Tax Bill	939

House 5	
Mkt Value	218,182
Tax Value	120,000
Tax Bill	980

House 6	
Mkt Value	227,273
Tax Value	125,000
Tax Bill	1,020

House 7	
Mkt Value	236,364
Tax Value	130,000
Tax Bill	1,061

House 8	
Mkt Value	245,455
Tax Value	135,000
Tax Bill	1,102

House 9	
Mkt Value	254,545
Tax Value	140,000
Tax Bill	1,143

House 10	
Mkt Value	263,636
Tax Value	145,000
Tax Bill	1,184

Subtotal	
Total Base Mkt Value	2,227,273
Total Base Tax Value	1,225,000
Tax Revenue Base	10,000
Tax Revenue New Grow	-
Total Tax Revenue	10,000
Tax Rate	0.82%

Year 4

House 1	
Mkt Value	181,818
Tax Value	100,000
Tax Bill	816

House 2	
Mkt Value	190,909
Tax Value	105,000
Tax Bill	857

House 3	
Mkt Value	200,000
Tax Value	110,000
Tax Bill	898

House 4	
Mkt Value	209,091
Tax Value	115,000
Tax Bill	939

House 5	
Mkt Value	218,182
Tax Value	120,000
Tax Bill	980

House 6	
Mkt Value	227,273
Tax Value	125,000
Tax Bill	1,020

House 7	
Mkt Value	236,364
Tax Value	130,000
Tax Bill	1,061

House 8	
Mkt Value	245,455
Tax Value	135,000
Tax Bill	1,102

House 9	
Mkt Value	254,545
Tax Value	140,000
Tax Bill	1,143

House 10	
Mkt Value	263,636
Tax Value	145,000
Tax Bill	1,184

House 11	
Mkt Value	272,727
Tax Value	150,000
Tax Bill	1,224

Entity	
Total Base Mkt Value	2,227,273
Total Base Tax Value	1,225,000
Total New Growth Tax V	150,000
Grand Total Tax Value	1,375,000
Tax Revenue Base	10,000
Tax Revenue New Grow	1,224
Total Tax Revenue	11,224
Tax Rate	0.82%

Sample Property Tax Rates

• Wayne County – 0.001301	\$700,000	27%
• Bicknell – 0.000125	\$6,500	3.8%
• Lyman – 0.000193	\$4,200	0.8%
• Torrey – 0.000143	\$16,004	7.5%
• Hanksville – 0.000406	\$8,000	4.3%
• Richfield – 0.001821	\$1,028,646	9.8%
• Salina – 0.002680	\$579,000	20%
• Redmond – 0.000562	\$30,997	7.8%
• Koosharem – 0.000192	\$8,805	6.4%
• Monroe – 0.001085	\$228,627	14.3%

Sample Property Tax Rates in Carbon County

	Rate	Revenue
Carbon County	0.002556	\$5,686,106
East Carbon/Sunnyside	0.008750	\$607,019
Helper	0.001919	\$288,663
Price	0.001290	\$858,959
Scotfield	0.001115	\$22,707
Wellington	0.003000	\$326,366

Budget Process Differences for Truth in Taxation

Traditional Budget Process

- **January - April:** Prepare a tentative budget
- **May:** Make the tentative budget available to the public
- **May/June:** Provide notice of a public hearing
- **June:** Conduct a properly advertised public hearing on the tentative budget
- **Before June 22:** Adopt the certified property tax rate and notify the County Auditor and Tax Commission. Update the rate system.
- **By June 30:** Make adjustments and adopt the final budget
- **30 days after adoption:** File budget with the State Auditor.

Truth-In-Taxation Budget Process

- **January - April:** Prepare a tentative budget
- **May:** Make a tentative budget available to the public and state it includes a property tax increase. Present a property tax impact schedule at the department level that outlines the budget increase at the department level and articulates the operational impact to the department if the entity approves the increase.
- **After May 1 but before June 13,** state at a public meeting that a property tax increase is proposed, the approximate dollar amount, the approximate percentage increase, and that if the tax rate is increased, a properly noticed public hearing on the increase will be scheduled. This is a separate item on the agenda.
- **June 1:** Notify County Auditor and State Tax Commission of intent to increase property tax and the planned August hearing date
- **June:** At each public hearing prior to June 30 where the general fund budget is discussed, present the property tax impact schedule as a separate document from all other budget documents on the agenda.
- **May/June:** Provide notice of a public hearing
- **June:** Conduct a properly advertised public hearing on the tentative budget and include the property tax impact schedule on the agenda as a separate item.
- **Before June 22:** Adopt the intended property tax rate and notify the County Auditor and Tax Commission. Update the certified tax rate system.
- **By June 30:** Make adjustments and adopt the interim budget. Include the property tax impact schedule as a separate document. Appropriate projected new property tax revenue to a restricted account.
- **July/August:** For at least 14 days before the entity's August public hearing, post notice of the hearing on Utah Legals, Utah public notice website and entity website*, and physically in public location. and for at least 14 days before the hearing post the County Auditor's list of property tax hearings on the main page of the entity's website.
- **August:** At least 24 hours before TNT hearing, post instructions for virtual participation on the entity's website.
- **August:** Conduct truth-in-taxation hearing and adopt a final tax levy and final budget. Make sure the amount of the tax increase and reasons for the tax increase are clearly stated and recorded. Include the property tax impact schedule. Provide the County list of hearings, if requested.
- **By September 1:** Adopt final budget and tax rate and file form PT 800 with Tax Commission.
- **By September 1:** Update Certified Tax Rate system.
- **August/September:** Within 7 days of adopting the final budget and tax rate provide the State Tax Commission all evidence of compliance with truth in taxation requirements.
- **30 days after adoption:** File budget with the State Auditor



ANOTHER FACT: The Legislature wants local entities to be more transparent about the need for increased property tax revenue. This is your chance to fully educate the public about the value and cost of municipal services.

Law aims to bolster transparency when cities, school districts, other entities pursue tax hikes

By Tim Vandenack, KSL | Posted - March 25, 2026 at 8:05 a.m.



Rep. Karen Peterson, on Jan. 12 at the Little America Hotel in Salt Lake City, is sponsoring a bill that aims to bolster transparency when cities, school districts and other taxing entities pursue tax hikes was signed into law Monday. (Scott G. Winterton, Deseret News)

2026 Adopted
Albermarle Property Tax
Legislation

We got you.

HB 236
Open an account

SB 238

HB 565

SB 206

HB 236 Truth In Taxation Objectives:

- **Bring the public into the truth in taxation process as early as possible**
- **Alleviate the public concern that an entity has already started spending money from the tax increase before the August Truth-in-Taxation hearing, and thus the tax hearing is meaningless.**

HB 236 Truth In Taxation New Requirements:

- **Public statement that a property tax is included in the tentative budget.**
- **A property tax impact schedule as a separate item from budget documents.**
- **Public statement announcing the approximate dollar amount, percentage increase, purpose, and tax rate public hearing information (May 1 – June 13)**
- **Adoption of an interim budget with new property tax revenue held in a separate account**





KERRI
NAKAMURA
& ASSOCIATES

