

RESOLUTION 2014—009

(A) Resolution/Title

Resolution 2014 - _____ Regarding Proposed Changes to the Definition of “New Growth” under Utah Law

(B) We, the members of the Utah League of Cities and Towns find:

1. Whereas, the Utah State Auditor recently issued a report identifying problems with the current definition of how “new growth” is calculated for the purposes of determining the certified property tax rate; and
2. Whereas, based upon the State Auditor’s report, the State Revenue and Taxation interim committee of the Utah State Legislature requested that legislative staff prepare a bill to address the issues identified in the Auditor’s report; and
3. Whereas, contrary to common assumptions, the amount of “new growth” that a city may receive under current Utah law is not based solely upon the amount of new development that occurs within a community, but may also be increased or decreased depending upon changes to the value of centrally assessed properties and personal property; and
4. Whereas, the current definition and calculation of “new growth” makes it difficult to predict the amount of “new growth” that will occur, or to explain how the amount of new growth is calculated; and
5. Whereas, the current definition of “new growth” also makes it difficult for taxing entities to predict the amount of additional property tax revenue that they will receive upon the expiration of a redevelopment project area; and
6. Whereas, most communities have not determined whether a change in the definition and calculation of how “new growth” is determined would increase or decrease the amount of property tax they receive; and
7. Whereas, the bill requested by the Revenue and Taxation interim committee will require the League of Cities and Towns to respond to that proposed legislation;

(C) Now, therefore, we the members of the Utah League of Cities & Towns, recommend that:

1. ULCT staff conduct an analysis of the likely consequences that would result from a change in the definition and calculation of “new growth” under Utah law. Staff is specifically requested to assess the likely impact of such a change on Utah cities and towns in terms of:
 - (a) anticipated increases or decreases in revenue;
 - (b) predictability for purposes of budget preparation and economic development; and
 - (c) transparency of taxation and public process.

2. ULCT staff is further requested to share those finding with the League’s Legislative Policy Committee so that the League membership can formulate an educated and appropriate position on this proposed legislation.

__Salt Lake City_____
City(s), Town(s), and/or Affiliate Group submitting this resolution

__Council Member Kyle LaMalfa_____
Person preparing form