



# The LEAGUE'S LATEST

- OVER 99 YEARS OF SERVICE TO UTAH'S MUNICIPALITIES -

Volume 2, Issue 2

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## INSIDE THIS ISSUE:

The "League's Latest" is a quarterly publication of the ULCT focusing on the development of legislative and policy issues. The focus of this issue:

- Tax Survey Results
- State Construction Registry
- Planning and Land Use Update
- Review of Leg. Process
- President's Message

## SAVE THE DATES:

- League Policy Committee 3rd Monday of each Monday (Next meeting May 15th) @ Utah Local Govt. Trust building: 55 South Hwy 89
- 99th Annual ULCT Convention — Salt Lake City Sheraton, September 13-15
- Water Conference — Springdale, October 5-6
- National League of Cities Conference— Reno, Nevada December 5-9
- Need more information? [www.ULCT.org](http://www.ULCT.org)

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## Dan Jones & Associates Survey *Public Perceptions and Misperceptions*

Benjamin Franklin over two hundred years ago asserted, "But in this world nothing can be said to be certain, except death and taxes." Americans, and Utahns, have lived with the certainty of taxes for years. However, the certainty of taxes has not equated clarity. A recent 2005 survey conducted by Dan Jones & Associates, commissioned by ULCT, demonstrates that most citizens fail to recognize where their taxes go and what services are funded by specific taxes. For example, 24% incorrectly stated that municipal government receive income tax revenue. Another 15% simply stated that they did not know which government entity received the tax deducted from their income.

There seems to be slightly less misunderstanding regarding sales tax. However, 10% of the respondents stated the federal government receives some sales tax revenue, another ten percent stated they did not know. The taxes that Utahns appear to understand the least are energy and telecommunications taxes. A third of all respondents acknowledged that they do not know where their energy and telecommunications taxes go, also over 25% stated that these taxes went directly to the federal government.

Utahns also seem to have a number of misperceptions of property taxes. Forty percent of respondents incorrectly declared that Utah state government receives property tax revenue. When asked further what percent of property taxes does municipi

...continued to page 3

### Common Tax Misperceptions

24%	of Utahns believe Utah cities and towns receive some income tax revenue
40%	of Utahns believe the Utah State Government receive property tax as a source of revenue
27%	of Utahns do not know which level of government receive any revenue from energy and telecommunication taxes
Source: Dan Jones & Associates Survey, December 2005	

## The State Construction Registry (SCR) By Representative Mike Morley

The State Construction Registry (SCR) was envisioned as a means of disclosure for previously undisclosed liability. It has long been a concern of policy makers that material men and subcontractors not directly contracted with the owner of real property have claim against that property if upline contractors fail to meet the terms of their purchase agreements or subcontractors, thus leaving property owners exposed to mechanic's liens.

Over the past several years, the legislature has made a policy decision to require those with lien rights to fully disclose those rights so that responsible parties can mitigate liability and hopefully resolve issues before they become catastrophic. Years ago, the residential construction market created the Residential Lien Recovery Fund which creates poor business practice in the industry. In the commercial industry, another approach was taken, that of disclosure through the filing of commencement and preliminary notices. These notices have been effective to the extent that the information has been made available to those responsible for mitigating damages.

As we discussed in open forum how disclosure of these liabilities might be more effectively accomplished, the internet was suggested. This was the genesis of the SCR. A contract was let to Utah Interactive to develop the SCR database housing construction projects throughout the state. Universal participation was the objective for the benefit of owners, contractors, suppliers, and subcontractors as well as other interested parties such as title companies and funding entities. Legislation requires all building permits, which are public documents, to be submitted to SCR via fax or electronic means to form a commencement notice.

This seemed appropriate, given that all owner/builder information was being conveyed to DOPL (Division of Occupational and Professional Licensing) and given the frequent requirement by

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**Municipal  
FACTS:**

1. Which Utah city shares its name with 287 other US cities (most common city name in America)?
  - A) Fairview
  - B) Salem
  - C) Springville
  - D) Highland
  
2. Which town used to be named Dry Gulch?
  - A) Tooele
  - B) Roosevelt
  - C) East Carbon
  - D) Morgan
  
3. Salt Lake City was the first Utah city to incorporate, which was the second?
  - A) Manti
  - B) Provo
  - C) Ogden
  - D) Parowan

1. (a) Fairview  
 2. (b) Roosevelt  
 3. All four. All followed SLC, but incorporated on the same day.

**Land Use 2006...It's Spring Cleaning Time**



Now that the dust has settled from the legislative session, and the Midyear Convention has concluded, it is time to get busy and review land use laws that have been passed, while looking to the future of what is to come.

While we are not convinced that the development community's run at SB170 could have been avoided this year, we do believe that future attempts at similar bills can be thwarted if our troops fight with a simple, two-pronged strategy:

1. **Implement SB60 and its progeny (SB155 and SB267); and**
2. **Treat all applicants with respect and sensitivity.**

Implementing SB60 may appear to be a daunting task to many jurisdictions and we have heard a number of different approaches to the task by several cities and towns. Nevertheless, criticism from lobbyists and legislators abounds that a large portion of our membership has delayed implementing SB60.

Part of the problem is the sheer bulk of the bill: 192 pages. Land use ordinances take a great deal of time, thought and public process to change. Virtually every city's land use code is different from the next (and should be), so a model ordinance to bring all cities into compliance simply will not work. So where should a city begin?

From a pragmatic point of view, there are five substantive components of SB60 (and its progeny) that must be implemented. If implemented, the five

changes would solve the lion's share of the complaints that we hear and may stave off future attempts at more objectionable legislation.

A quick check of your land use ordinances in the following five areas would go a very long way:

1. Conditional Use;
2. Exaction;
3. Vested Rights;
4. Nonconforming Use and a Noncomplying Structure;
5. Building Permit and Impact Fees.

Please visit our website for a complete set of implementation recommendations for each of these areas at [www.ulct.org](http://www.ulct.org) at the Planners Corner under Resources and Legislative News.

SB 60 and its progeny have offered many opportunities to municipalities for streamlining land use processing, as well as a few significant mandates regarding applicants' rights in the process. We cover these in our 2005 and 2006 land use updates and hope that you will take the opportunity to familiarize yourself with them. One hundred and ninety-two pages of opportunities will yield nothing in the way of change without a heartfelt and well-funded commitment to change well beyond the words of this article.

The list of items that "must be" changed as a result of SB60 is relatively short and is detailed above. Please modify your codes as suggested. Your efforts will speak volumes to the legislature in future sessions.

For more information please contact  
 Meg Ryan [mryan@ulct.org](mailto:mryan@ulct.org) or  
 Jodi Hoffman, [jhoffman@ulct.org](mailto:jhoffman@ulct.org)



...SCR continued from page 1

counties that building permit information be conveyed for assessing purposes. Additionally, cities and towns were continually inundated with requests for information on permits from construction reporting and marketing groups who make permit information available to clients. By conveying all information once to a central data registry, information needed by any and all such entities can now be accessed through the SCR. During implementation, it has become evident that duplication exists in the permitting process. It is also common for materials to be delivered to a job prior to the posting of a commencement notice on the registry. Considering these issues, it was suggested that a uniform permitting number with basic required information fields be implemented. Discussions with the League and

DOPL led to the determination of how the uniform permit would be implemented which would allow automatic linking of all notices and filing of preliminary notices prior to the posting of a commencement notice, thus giving subcontractors and suppliers a safe haven wherein their lien rights were protected despite the failings of others in the process.

It is intended that this comprehensive disclosure will provide protection to property owners and first-tier contractors and potentially speed up payments to downline subcontractors and suppliers. HB 160 allows for phased implementation of the uniform builder permit process through 2006 with a final implementation by January 1, 2007. Current law requires that building permits be submitted to SCR within 15 days of issuance. However, a standard form for such submissions must be uniform by the end of 2006.

I have appreciated very much the cooperation of The League of Cities and Towns in the implementation of this helpful tool. For more information regarding the January 1, 2007 compliance with HB 160, please contact Lincoln at [lshurtz@ulct.org](mailto:lshurtz@ulct.org).

**-Rep. Michael Morley  
 House District 66**

(Cities represented in Dist. 66 include: Spanish Fork, Payson, Elk Ridge, Salem, and Woodland Hills)

## *Blink and You'll Miss IT!* A Review of the Legislative Session

Many say the Kentucky Derby is the most exciting two minutes in sports. However, many can also say that the final two days of the Utah Legislative Session are the most exciting 48 hours in policymaking, and for good reason an incredible blitz of bills are passed in this short time period.

In 2006, there were 792 different pieces of legislation introduced. By subject, there were almost 200 bills that affected municipalities, from 54 drafted bills on taxation to 34 drafted bills on retirement issues.

<b><i>2006 LEGISLATURE in REVIEW</i></b>
792 Introduced bills
Nearly 200 bills directly impacting municipal government
133 total hours on House floor in debate
78 daily committee hours scheduled for 11 Senate committees
House Political Subdivisions Committee — 58 bills in 12.5 hours
44% of all enrolled bills are passed in the final 24 hours of the Session

State House of Representatives dedicated 133.5 cumulative hours to floor debate. On average, that meant 10.2 minutes

spent per bill on the floor. In the State Senate, the allotted floor time was 127 hours, meaning that only 9.62 minutes were spent on average per bill.

Consequently, the majority of debate occurs in preceding committee meetings, but even those are hampered by time restraints. ULCT tracked the House Political Subdivisions and the Senate Revenue and Taxation Committees. In 13 hour-long meetings, Political Subdivisions considered 44 bills at an average of 18 minutes per bill. Revenue and Taxation considered 58 bills in 12.5 total hours at an average of 12.9 minutes per bill.

For example, HB 309, Rep. Hughes' modification to the Energy Sales and Use Tax. Though only approximately 45 minutes were spent in committee meeting and on the floor on HB 309, the Legislative Policy Committee, ULCT staff, city leaders, Questar and the sponsor engaged in almost 20 hours of dialogue from October through the last week of the session.

Once the session begins, it's too late to start engaging with state leaders. The quickness of the process requires pre-session preparation and involvement with our state elected officials. All year, we must build relationships of trust and adequately "tell our story" otherwise we suffer the consequences of our own inaction.

Contact Cameron Diehl at [cbdiehl3@yahoo.com](mailto:cbdiehl3@yahoo.com) for more information on these statistics.

...Survey results continued from page 1  
pal government receive, nearly half of all Utahns stated they did not know. Of those who claimed to know only 25% correctly answered that municipal government receives around 15% of all property taxes paid.

These misperceptions of property taxes also seem to indicate a number of contradictions. First, one third of the respondents name property taxes as their most objected to tax. However, Utahns seem to believe that their property taxes are assessed fairly. Sixty-eight percent of respondents confirmed that they would not sell their home for its assessed value. In addition only 27% perceive Utah's property taxes as higher than other states. According to a recent Utah Foundation study, Utah ranks 36<sup>th</sup> nationally in property tax burden.

The survey seems to point out that perceptions of taxes may change when citizens are provided with more information or increased clarity. For example, when asked if a higher property tax is preferable to an increased tax on electricity and natural gas

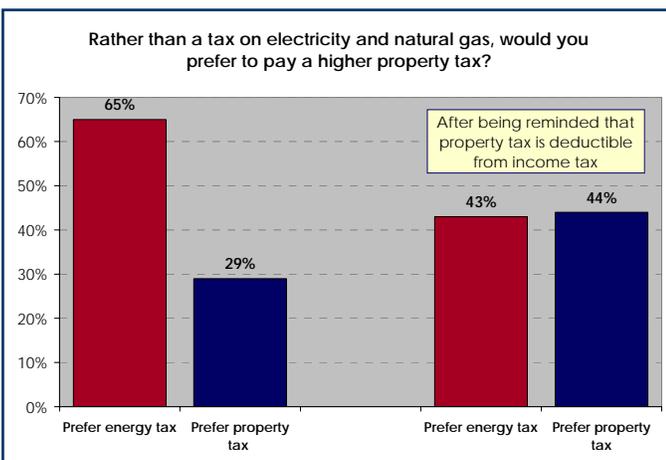
respondents overwhelming state they would prefer the higher energy tax. However, later in the survey when reminded that property tax is deductible from income tax only 43% still stated that they would prefer energy taxes to an increased property tax.

<i>Please tell me how well each of the following are doing in managing your tax dollars?</i>		
<u>Government Entity</u>	<u>Excellent/Good</u>	<u>Fair/Poor</u>
Municipal Govt.	53%	35%
State Legislature	39%	59%
Congress	21%	76%
A poll of 612 Utah residents conducted in December 2005 by Dan Jones & Associates. Margin of error ± 4.0%		

Regardless of misperceptions of specific taxes the general public approve of the job municipal government is doing managing their tax dollars. Fifty-three percent of all Utahns polled gave municipal government an "excellent" or "good" in their management of taxes. This rating is 14% higher than public opinion of state government. Respondents were also asked to rate their city and town government overall. Here 76% rated their municipal government as excellent or good. This marked a 15% increase from the 2003 survey.

The Dan Jones & Associates statewide survey was commissioned in December 2005 and polled over 600 Utah residents. The margin of error for the survey is ± 4.0%. The identical survey was conducted in 2001 and 2003. For full survey results please contact Neil Abercrombie at [nabercrombie@ulct.org](mailto:nabercrombie@ulct.org).

Next issue we will review possible methods to improve communication and better educate citizens regarding how local government is financed.



UTAH LEAGUE of  
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We are on the Web!  
[www.ulct.org](http://www.ulct.org)

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comments or feedback regarding  
the quarterly newsletter.  
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The League's Latest

**Mayor Steve Curtis — President's Message**



Thanks to all who attended the ULCT Mid-year Convention in St. George. It was a fantastic conference, full of great information. The presenters did an excellent job providing us with valuable tools to be better equipped for the unpredictable disaster. As municipal leaders we must never become complacent in our preparation for emergencies.

Noteworthy to this newsletter, is the extremely proud announcement that the curriculum designed for Utah's 4<sup>th</sup> and 7<sup>th</sup> graders, is completed. "This Must Be Utah! A Teachers Guide to Utah Cities and Towns", contains lessons that support the Utah State Board of Education Core Curriculum and although it is a study guide keyed to those specific grade levels, it can be easily adapted to others. *This Must Be Utah!*, will increase students' understanding and appreciation of ways in which people live and work in communities across Utah.

Years ago the ULCT, in a review of the state history being taught in our schools, found that those courses centered more around state and national governments, with little being discussed regarding the municipal or local level. This learning tool is a response to that finding, an attempt to fill this gap. We recognize

that good democracy requires an informed constituency, and it is never too early exposing citizens of the functions of responsibilities of *all* levels of government.

This comprehensive curriculum will provide students with exposure to the unique characteristics of many communities in Utah. In addition, it addresses health, transportation, planning, and business issues that all impact the quality of life in our communities. Also included are a number of historic photographs that allow students to compare and contrast their city of yesteryear to it's present day appearance. Students will learn about the history, traditions, and lifestyles of Utah's across state, while also learning about the role of municipal government.

We hope these lessons will provide an understanding of the ways in which geography, history, culture, and tradition have made Utah such a unique and fascinating place to live.

I look forward to seeing all of you again soon at the 99<sup>th</sup> Annual ULCT Conference in Salt Lake City this September.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Curtis".

Steve Curtis,  
Mayor Layton City & President ULCT



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