

Impacts of SB 18	Revenue Losses
Salt Lake County (Tax Base)	\$1,000,000.00
Canyon School Basic	\$ 426,278.55
Canyons School District	
Granite School Basic	\$ 976,698.13
Granite School District	
Jordan School Basic	\$ 414,021.00
Jordan School District	
Murray School Basic	\$ 87,017.40
Murray School District	
SLC School Basic	\$ 846,086.39
SLC School District	
Davis County - Total	\$ 1,706,403.00
Davis School District	\$ 1,266,387.00
Weber County - Total	\$ 996,000.00
Ogden City School District	\$ 449,000.00
Weber School District	\$ 245,000.00
Washington County	\$ 800,000.00
Morgan County General Fund	\$ 8,302.00
Morgan School District	\$ 30,528.00
Cache County Government	\$ 133,052.00
Logan School District	\$ 274,132.00
Cache School District	\$ 270,780.00
Cache County Total	\$ 783,589.00
Carbon County General Fund	\$ 15,263.00
Carbon School District	\$ 35,019.00
Millard County	\$ 105,006.14
Millard School District	\$ 66,271.00
Duchesne County Total	\$ 482,154.00
Duchesne School District	\$ 89,051.00
Sanpete County Total	\$ 150,000.00
South Sanpete School District	\$ 43,470.00
North Sanpete School District	\$ 21,765.00
Beaver County Total	\$ 47,995.00
Beaver School District	\$ 32,390.00
Summit County Total	\$ 324,000.00
Park City School District	\$ 126,387.00
North Summit School District	\$ 17,147.00
South Summit School District	\$ 40,096.00



Steven DeBry, Chair
District #5

January 26, 2021

RE: SB 18 — Property Tax Exemptions Amendments

Dear Sen. Harper,

I am writing to express the concerns of the Salt Lake County Council regarding SB 18. Our Council has voted (7-2) to oppose this legislation because we are concerned that it would drastically shrink the County's tax base, leading to uncertainty for the County's citizens and taxpayers.

According to projections prepared by the Salt Lake County Assessor, expanding the de minimus business property tax exemption from \$15,000 to \$50,000 would result in over \$1,000,000 in lost revenue for Salt Lake County government. This loss in revenue would profoundly complicate Salt Lake County's budgets and would stress the delivery of essential services, including the public health response to and economic recovery from COVID-19.

School districts within Salt Lake County would be similarly impacted, creating unexpected budget shortfalls during a time of economic and educational stress and uncertainty.

The impact to the five school districts within Salt Lake County would be:

Canyons	\$426,278.55
Granite	\$976,698.13
Jordan	\$414,021.00
Murray	\$87,017.40
Salt Lake City	\$846,086.00
Total	\$2,750,101.47

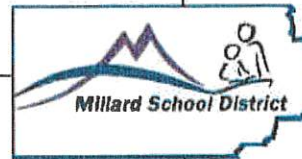
The County Council is committed to working on solutions to provide simplification for filing personal property statements and relief for small businesses that are struggling.


Steve DeBry, Chair

Salt Lake County Council

Millard School District

285 East 450 North ❖ Delta, Utah 84624 Phone: (435) 864-1000 Fax: (435) 864-5684



Board Members

Todd E. Holt
President
David E. Lund
Vice President
Joyce C. Barney
Adam R. Britt
Jennifer L. Finlinson

David V. Styler
Superintendent

Keith T. Griffiths
Business Administrator

January 26, 2021

RE: Opposing SB 18 – Property Tax Exemptions Amendments

Dear Senator Harper,

Funding for education is the cornerstone of the Utah budget. Property taxes a main source of revenue for local governments. Localities are reliant on this funding to flow toward providing services and public education to residents in an area. Reasonable ad valorem taxation on tangible personal property allows a county to have a lower property rate for its residents.

Tangible personal property tax can be a complex area of tax policy for a local government – through impactful to the overall tax base. Often, localities provide options for alleviating the burden of this tax through de minimus exemptions to the tax.

Currently, a business would qualify for de minimus exemption if the total aggregate tangible personal property tax value of a business is \$15,000 or less. This de minimus exemption is made up with a tax shift to the remaining property tax revenue. This is a permanent reduction of the tax base.

What is being proposed goes beyond a tax shift – it is a tax cut that shrinks the tax base. Although a “tax cut” may seem appealing to invoke in a conversation with a taxpayer, this is a budget cut to schools and counties at a level that goes beyond the de minimus intention.

Millard School District will face a revenue cut of \$66,271 to the State Basic Program and Local Tax Levies.

Across the board, Millard County would see a reduction of \$105,006 across all entities.

Signed,

A handwritten signature in black ink that reads "David V. Styler". The signature is written in a cursive style and is positioned above a horizontal line.

David V. Styler, Superintendent
Millard School District

Sanpete County Courthouse
160 North Main
Manti, Utah 84642



Assessor: Keith C. Larsen
Attorney: Kevin Daniels
Auditor: Stacey Lyon
Clerk: Sandy Neill
Recorder: Talisha Johnson
Sheriff: Gary Larsen
Treasurer: Amy Willden

Commissioners: Scott Bartholomew (Chair), Edwin Sunderland, Reed D. Hatch

January 22, 2021

RE: Opposing SB 18 — Property Tax Exemptions Amendments

Dear Sen. Harper,

Funding for education is the cornerstone of the Utah budget. Property taxes a main source of revenue for local governments. Localities are reliant on this funding to flow toward providing services and public education to residents in an area. Reasonable ad valorem taxation on tangible personal property allows a county to have a lower property rate for its residents.

Tangible personal property tax can be a complex area of tax policy for a local government —though impactful to the overall tax base. Often, localities provide options for alleviating the burden of this tax through de minimus exemptions to the tax.

Currently, a business would qualify for a de minimus exemption if the total aggregate tangible personal property tax value of a business is \$15,000 or less. This de minimus exemption is made up with a tax shift to the remaining property tax revenue. This is a permanent reduction of the tax base.

What is being proposed goes beyond a tax shift — it is a tax cut that shrinks the tax base. Although a “tax cut” may seem appealing to invoke in a conversation with a taxpayer, this is a budget cut to schools and counties at a level that goes beyond the de minimus intention.

Our County will face a revenue cut of \$25,181.00 to our General Fund, along with \$43,470.00 to our South Sanpete School District and \$21,765.00 to our North Sanpete School District.

Across the board, Sanpete County would see a reduction of \$150,000.00 across all entities.

Signed,

Scott Bartholomew
Sanpete County Commissioner

Ralph Squire
Superintendent, South Sanpete School District



Davis County Commission

Commissioner Randy B. Elliott Commissioner Lorene M. Kamalu, MPA Commissioner Bob J Stevenson

January 21, 2021

RE: *Opposing* SB 18 — Property Tax Exemptions Amendments

Dear Senator Harper,

Funding for education is the cornerstone of the Utah budget. Property taxes are a main source of revenue for local governments. Localities are reliant on this funding to flow toward providing services and public education to residents in an area. Reasonable ad valorem taxation on tangible personal property allows a county to have a lower property rate for its residents.

Tangible personal property tax can be a complex area of tax policy for a local government — though impactful to the overall tax base. Often, localities provide options for alleviating the burden of this tax through de minimis exemptions to the tax.

Currently, a business would qualify for a de minimis exemption if the total aggregate tangible personal property tax value of a business is \$15,000 or less. This de minimis exemption is made up with a tax shift to the remaining property tax revenue. This is a permanent reduction of the tax base.

What is being proposed goes beyond a tax shift — it is a tax cut that shrinks the tax base. Although a “tax cut” may seem appealing to invoke in a conversation with a taxpayer, this is a budget cut to schools and counties at a level that goes beyond the de minimis intention.

Davis County will face a revenue cut of \$440,016 to our Governmental funds, along with \$1,266,387 to Davis School District.

Across the board, our COUNTY would see a reduction of \$1,706,403 across all entities, not including Cities and Special Service Districts, who will also experience a reduction in revenues.

Respectfully,

Bob J Stevenson, Chair
Davis County Commission





BEAVER COUNTY COMMISSION

105 East Center
P.O. Box 789
Beaver, UT 84713
P: (435)438-6490

Mark S. Whitney
Chairman
Wade Hollingshead
Member

Tammy T. Pearson
Member

January 27, 2021

RE: Opposing SB 18 — Property Tax Exemptions Amendments

Dear Sen. Harper,

Funding for education is the cornerstone of the Utah budget. Property taxes a main source of revenue for local governments. Localities are reliant on this funding to flow toward providing services and public education to residents in an area. Reasonable ad valorem taxation on tangible personal property allows a county to have a lower property rate for its residents.

Tangible personal property tax can be a complex area of tax policy for a local government — though impactful to the overall tax base. Often, localities provide options for alleviating the burden of this tax through de minimus exemptions to the tax.

Currently, a business would qualify for a de minimus exemption if the total aggregate tangible personal property tax value of a business is \$15,000 or less. This de minimus exemption is made up with a tax shift to the remaining property tax revenue. This is a permanent reduction of the tax base.

What is being proposed goes beyond a tax shift — it is a tax cut that shrinks the tax base. Although a “tax cut” may seem appealing to invoke in a conversation with a taxpayer, this is a budget cut to schools and counties at a level that goes beyond the de minimus intention.

Our COUNTY OR SCHOOL DISTRICT will face a revenue cut of \$32,390 to our SCHOOL DISTRICT.

Across the board, our COUNTY would see a reduction of \$47,995 across all entities.

Signed,

Mark S. Whitney
Beaver County Commission Chair

Date: Jan. 27, 2021

RE: Opposing SB 18 — Property Tax Exemptions Amendments

Dear Sen. Harper,

Funding for education is the cornerstone of the Utah budget. Property taxes a main source of revenue for local governments. Localities are reliant on this funding to flow toward providing services and public education to residents in an area. Reasonable ad valorem taxation on tangible personal property allows a county to have a lower property rate for its residents.

Tangible personal property tax can be a complex area of tax policy for a local government — though impactful to the overall tax base. Often, localities provide options for alleviating the burden of this tax through de minimus exemptions to the tax.

Currently, a business would qualify for a de minimus exemption if the total aggregate tangible personal property tax value of a business is \$15,000 or less. This de minimus exemption is made up with a tax shift to the remaining property tax revenue. This is a permanent reduction of the tax base.

What is being proposed goes beyond a tax shift — it is a tax cut that shrinks the tax base. Although a “tax cut” may seem appealing to invoke in a conversation with a taxpayer, this is a budget cut to schools and counties at a level that goes beyond the de minimus intention.


The Cache School District will face a revenue cut of \$270,780 , and Cache County will face a cut of \$133,000 to our General Fund.

Across the board, Cache County would see a reduction of \$783,500 across all entities.

Signed,



GINA H. WORTHEN
CHAIR, CACHE COUNTY COUNCIL



STEVE NORTON
SUPERINTENDENT, CACHE SCHOOL DISTRICT



January 25, 2021

RE: Opposing SB18 – Property Tax Exemptions Amendments

Dear Sen. Harper

Funding for education is the cornerstone of the Utah budget. Property Taxes a main source of revenue for local governments. Localities are reliant on this funding to flow toward providing services and public education to residents in an area. Reasonable ad valorem taxation on tangible personal property allows a county to have a lower property rate for its residents.

Tangible personal property tax can be a complex area of tax policy for a local government – though impactful to the overall tax base. Often, localities provide options for alleviating the burden of this tax through de minimus exemptions to the tax.

Currently, a business would qualify for a de minimus exemption if the total aggregate tangible personal property tax value of a business is \$15,000 or less. This de minimus exemption is made up with a tax shift to the remaining property tax revenue. This is a permanent reduction of the tax base.

What is being proposed goes beyond a tax shift – it is a tax cut that shrinks the tax base. Although a “tax cut” may seem appealing to invoke in a conversation with a taxpayer, this is a budget cut to schools and counties at a level that goes beyond the de minimus intention.

Our COUNTY OR SCHOOL DISTRICT will face a revenue cut of \$15,263 to our General Fund, along with \$35,019 to our S SCHOOL DISTRICT.

Across the board, our COUNTY would see a reduction of \$74,930 across all entities.

Signed,

Larry Jensen

Lance Hatch

Larry Jensen Carbon County Commissioner

LANCE HATCH

Name
Title, County

Name
Superintendent, School District



DUCHESTER COUNTY COMMISSION

Greg Todd, Chairman, Irene Hansen, Member, Gregory Miles, Member

P.O. Box 270
Duchesne, Utah 84021-0270
Phone (435) 738-1100
Fax (435) 738-5522

January 25, 2021

Senator Wayne Harper
Utah State Senate
320 State Capitol
Salt Lake City, UT 84114

Re: Opposing S.B. 18 – Property Tax Exemptions Amendments

Dear Senator Harper,

Funding for education is the cornerstone of the Utah budget. Property taxes are a primary source of revenue for local governments. Localities rely on this funding to flow toward providing services and public education to residents in an area. Reasonable ad valorem taxation on the tangible personal property allows a county to have a lower property rate for its residents.

Tangible personal property tax can be a complex tax policy area for a local government – though impactful to the overall tax base. Often, localities provide options for alleviating the burden of the tax through de minimis exemptions to the tax.

Currently, a business would qualify for a de minimis exemption if the total aggregate tangible personal property tax value of a business is \$15,000.00 or less. This de minimis exemption is made up with a tax shift to the remaining property tax revenue. This is a permanent reduction of the tax base.

What is being proposed goes beyond a tax shift – it is a tax cut that shrinks the tax base. Although a “tax cut” may seem appealing to invoke in a conversation with a taxpayer, this is a budget cut to schools and counties at a level that goes beyond the de minimis intention.

Our COUNTY and SCHOOL DISTRICT will face a revenue cut of \$235,998.00 to our General Fund, along with \$89,051.00 to our SCHOOL DISTRICT

Across the board, our COUNTY would see a reduction of \$482,154.00 across all entities.

Signed,

Duchesne County Commission:

Handwritten signature of Greg Todd in black ink.

Greg Todd
Chairman

Handwritten signature of Greg Miles in black ink.

Greg Miles
Member

Handwritten signature of Irene Hansen in black ink.

Irene Hansen
Member

Duchesne County Superintendent

Handwritten signature of Dave Brotherson in black ink.

Dave Brotherson

January 24, 2021

RE: Opposing SB 18 — Property Tax Exemptions Amendments

Dear Sen. Harper,

Funding for education is the cornerstone of the Utah budget. Personal property taxes are a significant source of revenue for local governments. Localities are reliant on this funding to flow toward providing services and public education to residents in an area. Reasonable ad valorem taxation on tangible personal property allows a county to have a lower property rate for its residents. Honestly, as a business owner I hated the tax. . . until I understood it. It was small to my overall fiscal year in relationship to the other taxes. But I still objected . . . again, until I understood it.

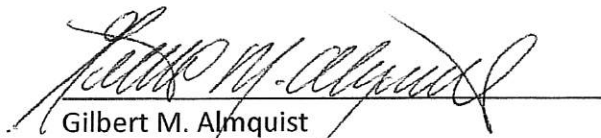
Tangible personal property tax can be a complex area of tax policy for a local government — though impactful to the overall tax base. Often, localities provide options for alleviating the burden of this tax through de minimus exemptions to the tax.

Currently, a business would qualify for a de minimus exemption if the total aggregate tangible personal property tax value of a business is \$15,000 or less. This de minimus exemption is made up with a tax shift to the remaining property tax revenue. This is a permanent reduction of the tax base. Currently, in Washington County 75% of businesses fall below the threshold of \$15,000 or less in reduced value. The change would make that rise to 87.5%. We feel the increase is not worth the loss of \$800,000.

What is being proposed goes beyond a tax shift — it is a tax cut that shrinks the tax base. Although a “tax cut” may seem appealing to invoke in a conversation with a taxpayer, this is a budget cut to schools and counties at a level that goes beyond the de minimus intention.

Washington County will face a revenue cut of \$800,000 to our General Fund, the vast majority to our SCHOOL DISTRICT.

Signed,



Gilbert M. Almquist
Commissioner, Washington County



January 27, 2021

Dear Senator Harper:

We write with serious concerns about your bill, SB 18, Property Tax Exemptions Amendments introduced this legislative session.

Funding for education is the cornerstone of the Utah budget. Property taxes are a primary source of revenue for school districts¹ and local governments. Our residents depend on the consistent and sustained flow of these monies to educate their children and to receive critical county services. Reasonable ad valorem taxation on tangible personal property allows a county to have a lower property rate for its residents.

Tangible personal property tax is one of three components (real property, personal property, and centrally assessed property) that goes into calculating the certified tax rate value and can be a complex area of tax policy for a local government — though extremely impactful to the overall tax base. Often, localities provide options for alleviating the burden of this tax through *de minimus* exemptions to the tax.

Currently, a business would qualify for a *de minimus* exemption if the total aggregate tangible personal property tax value of a business is \$15,300 or less. Increasing the *de minimus* exemption to \$50,000, as introduced in this legislation, significantly adjusts the total taxable burden away from businesses towards the property owner, effectively creating a tax shift to either centrally assessed properties (controlled by the State) or to real property. By creating this shift without allowing for a “hold harmless” clause for counties to increase the tax rate accordingly is a permanent reduction of the tax base.

What is being proposed in SB 18 even goes beyond a tax shift — it is a cut in the certified tax rate value and will have an impact on schools, public safety, roads maintenance, and other services provided by cities and counties at a level that far exceeds the *de minimus* intention by requiring unanticipated Truth in Taxation hearings to recover lost revenues to those taxing authorities.

¹ School districts account for about 66% of a resident’s property tax.

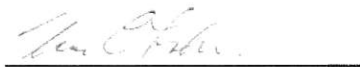
Specifically, if SB 18 were enacted as currently drafted, Summit County would face a revenue cut of \$140,370 to our General Fund. Park City School District would see a cut of \$126,387, North Summit School District a cut of \$17,147, and South Summit School District a cut of \$40,096. Overall, across these four entities, Summit County would see a reduction of \$324,000. Not to mention, additional cuts to other taxing authorities in the County also impacted by this *de minimus* change, namely the municipal services fund, assessing and collecting fund, service areas #6 and #8, Snyderville Basin Special Recreation District, fire districts, and cemetery districts.

Additionally, since Park City is a "recapture school district," another consequence of this bill is that fewer dollars will then be available to help the equalization formula for other school districts across the state.

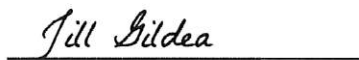
We are also very concerned about the provision of the bill that increases the *de minimus* amount of qualifying exempt revenue by 233.33% (lines 178, 277-296). As the Property Tax Code (USC 59-2) was written there were no provisions taken to account for the costs of inflation. According to former Senator Howard Stephenson, who helped draft the Code, it was the intention to omit an inflation component in order to "encourage" taxing authorities to go through the Truth in Taxation process. The effects of this legislation are compounding the lack of an inflation component by allowing taxpayers to reduce their taxable burden but not allowing taxable authorities to remain harmless in the process.

Thank you for your consideration of our concerns. Please do not hesitate to contact us if we can be of assistance on this issue.

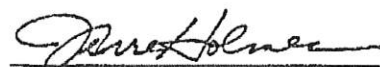
Respectfully,



Thomas C. Fisher
Summit County Manager



Dr. Jill Gildea
Superintendent
Park City School District



Dr. Jerre Holmes
Superintendent
North Summit School District



Dr. Steve Hirase
Superintendent
South Summit School District