



PRESS RELEASE

CITY COUNCIL *of* SALT LAKE CITY

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FOR IMMEDIATE RELEASE

With Budget Deadline approaching, Salt Lake City Learns Property Tax Revenue is \$1 Million Less Than Expected

Salt Lake City -- Council Members learned Thursday the City has a more than \$1 million shortfall in the \$273 million proposed General Fund budget for 2017-18, due to revised property tax rules adopted by the State of Utah.

"This is disappointing news and will make our decisions about how best to balance the City's needs with available revenues much more difficult," said Council Chair Stan Penfold. "The Mayor's recommended budget is very constrained in the first place, so this added limitation coming at the last minute makes it even harder to meet the expectations residents have for services in Salt Lake City."

Council Members are exploring a variety of options to address the shortfall. Council still plans to approve the budget at the Tuesday, June 13 meeting.

"There are no easy answers, and we will look at all options to balance the budget," Penfold added. "In the year ahead, we will need to take a hard look at how we further tackle our infrastructure and maintenance issues citywide."

The Mayor's Recommended Budget assumed \$2.6 million in new growth in property tax revenue, but the City will receive only \$1.53 million, a difference of \$1.07 million. Property taxes make up about a third of the General Fund, which pays for most City services, including public safety, street maintenance, parks, planning and zoning, housing and neighborhood development, city attorney, and Mayor's and City Council offices.

The lower-than-expected revenue amount is the result of how the State Tax Commission now calculates growth in property taxes. The new interpretation, which went into effect this year, separates tax on real estate and buildings from tax on personal property, such as vehicles, computer equipment, machinery and furnishings. The Tax Commission informed local governments of its final property tax revenue estimates on Thursday, an annual ritual that occurs each year shortly before budgets for the coming fiscal year must be adopted.

As Salt Lake City's legislative branch, one of the City Council's primary annual responsibilities is to approve a balanced budget for each fiscal year, which runs from July 1 to June 30. According to state law, the budget must be adopted by June 22, although the Council plans to approve it at its meeting Tuesday evening, June 13.

Documents and more information about the City's budget are available on the City Council's website at SLCCouncil.com.

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