

THE CITY OF **MOAB**



EST. 1902



HISTORY

The City of Moab has had a property tax in place for many decades. However, since 1992, the City has set the property tax at a rate of 0% (zero), meaning that Moab property owners have not paid property tax to the City for 32 years.

Moab is the only city in Utah that does not levy a general property tax to pay for city services.

Currently, sales and use taxes are the primary sources for the City's general fund revenues. Annual revenues from sales and use taxes vary from year to year, while property taxes provide a reliable annual revenue source that can help stabilize the City's ability to fund important infrastructure needs, and facilities maintenance and equipment.

For those reasons, the Moab City Council in April 2024 decided to consider increasing the property tax rate as a way to establish a more diverse revenue stream and reduce the City's dependence on sales tax revenue that relies solely on the expansion of the tourism economy. Property tax revenue increases the City's ability to bond for needed capital projects so they can be planned for and completed more quickly.

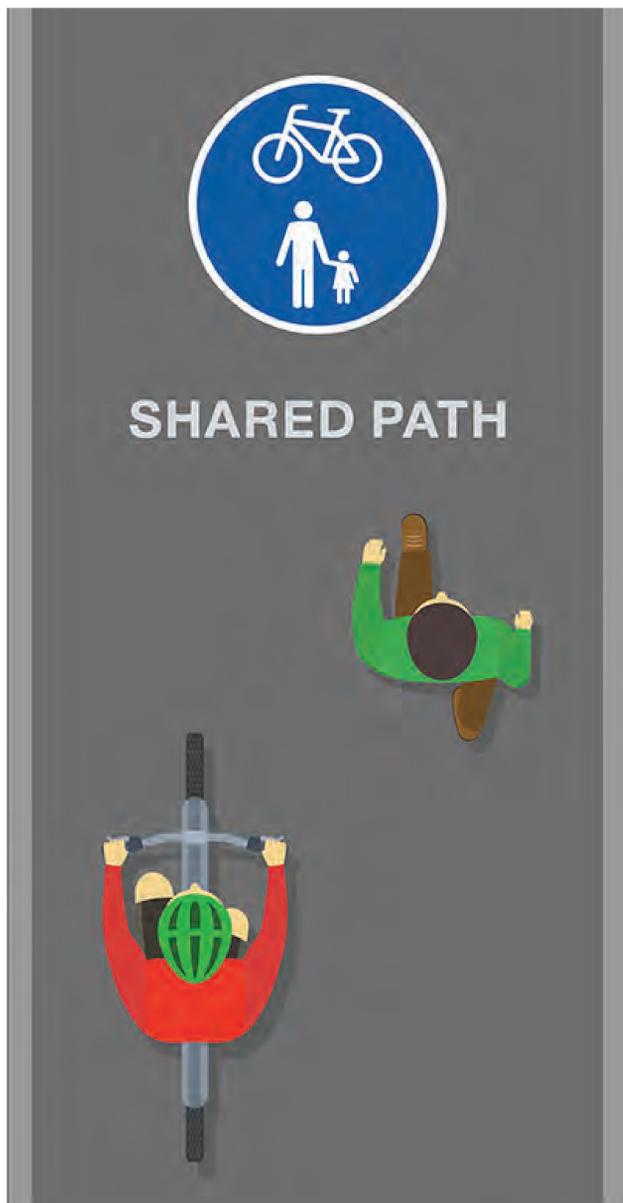
TRUTH IN TAXATION PUBLIC HEARING

August 6, 2024

6 p.m.

Moab City Council Chambers

CAPITAL IMPROVEMENTS — ACTIVE TRANSPORTATION



Active transportation infrastructure focuses on non-motorized, low-speed transportation infrastructure to improve community walkability, create easy ways to travel through town and help residents lead active, fulfilled lives.

Creating roads that can be shared safely, and comfortably, between bicyclists, pedestrians, and vehicles, is important for the City of Moab.

As part of this goal, the City will work to develop a complete streets plan that will guide future developments with multimodality in mind and perform an equity analysis so that prioritized projects benefit those most in need.

Possible Active Transportation Infrastructure Projects

Shared-Use Path Connection

Estimated Cost: \$1 Million

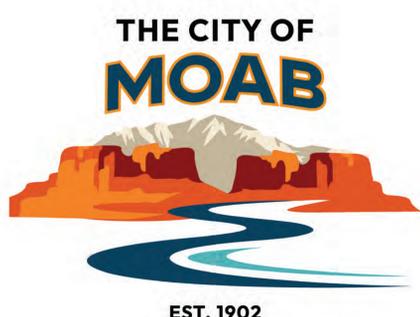
Expanding the Mill Creek Parkway network to connect to businesses and residential areas in the southern area of Moab City.

Mill Creek Drive

Shared-Use Path Infrastructure

Estimated Cost: \$2 Million

Connect the future Spanish Valley Drive shared-use path with the Mill Creek Parkway to create additional options for pedestrians, bicyclists, and other non-motorized users to safely travel throughout the community.



CAPITAL IMPROVEMENTS — STREETS

The City has a backlog of over \$74 million in Capital Improvements, primarily basic infrastructure such as streets and roads. Much of this is long-term deferred maintenance and repairs.

How property tax helps

At the possible \$3 million revenue level the City could fund some critical Capital Projects within 5 years have capacity to bond for additional projects.

POSSIBLE ROAD PROJECTS



100 East (Uranium to 300 South at City Market) **Estimated Cost: 4.5 Million**

Complete reconstruction of the roadway along both street sections.

Will include any infrastructure repair and complete streets concepts.

100 South (Main to 400 East)

Estimated Cost: \$5 Million

Redesign and resurface the roadway. Will include any infrastructure repair and complete streets concepts.

Arterial and Minor Collector Repair & Repaving (Catch-Up on Deferred Work) **Estimated Cost: \$5 Million**

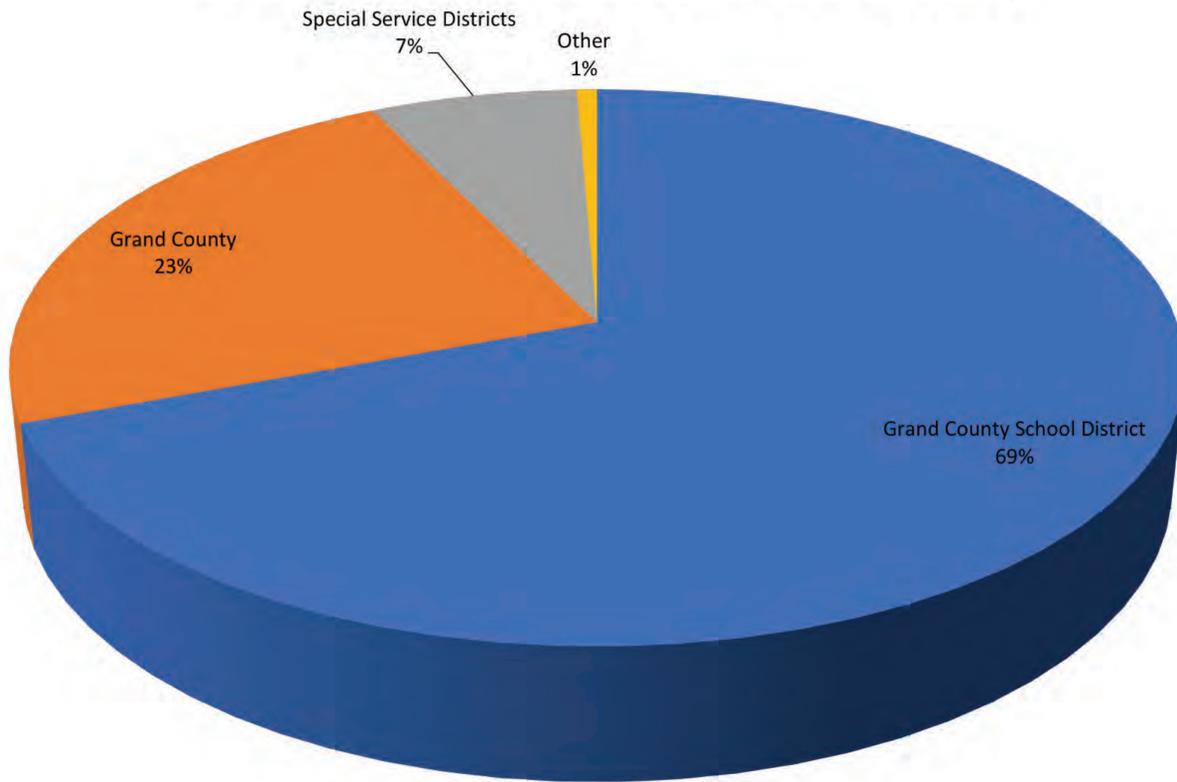
Identify and repair/resurface highly traveled roads and moderately traveled streets that connect traffic of all kinds throughout the city. Significant work on many of these roads has been deferred for years due to the lack of available funds.

HOW PROPERTY TAXES ARE DISTRIBUTED

Moab City property owners currently pay a property tax to Grand County (including the Library and Library Debt, and County Assessing and Collecting and State Assessing & Collecting Levy); Grand County School District (including the School Local Levy, State School Levy and the State Charter School Levy; and Special Service Districts, including Moab Valley Fire, Moab Mosquito Abatement, and Grand County Cemetery.

If Moab City adopts the proposed tax rate, the City portion would increase the property tax bill by approximately 19%.

2023 Property Tax Distribution for Grand County



Entities Collecting Taxes in 2023:

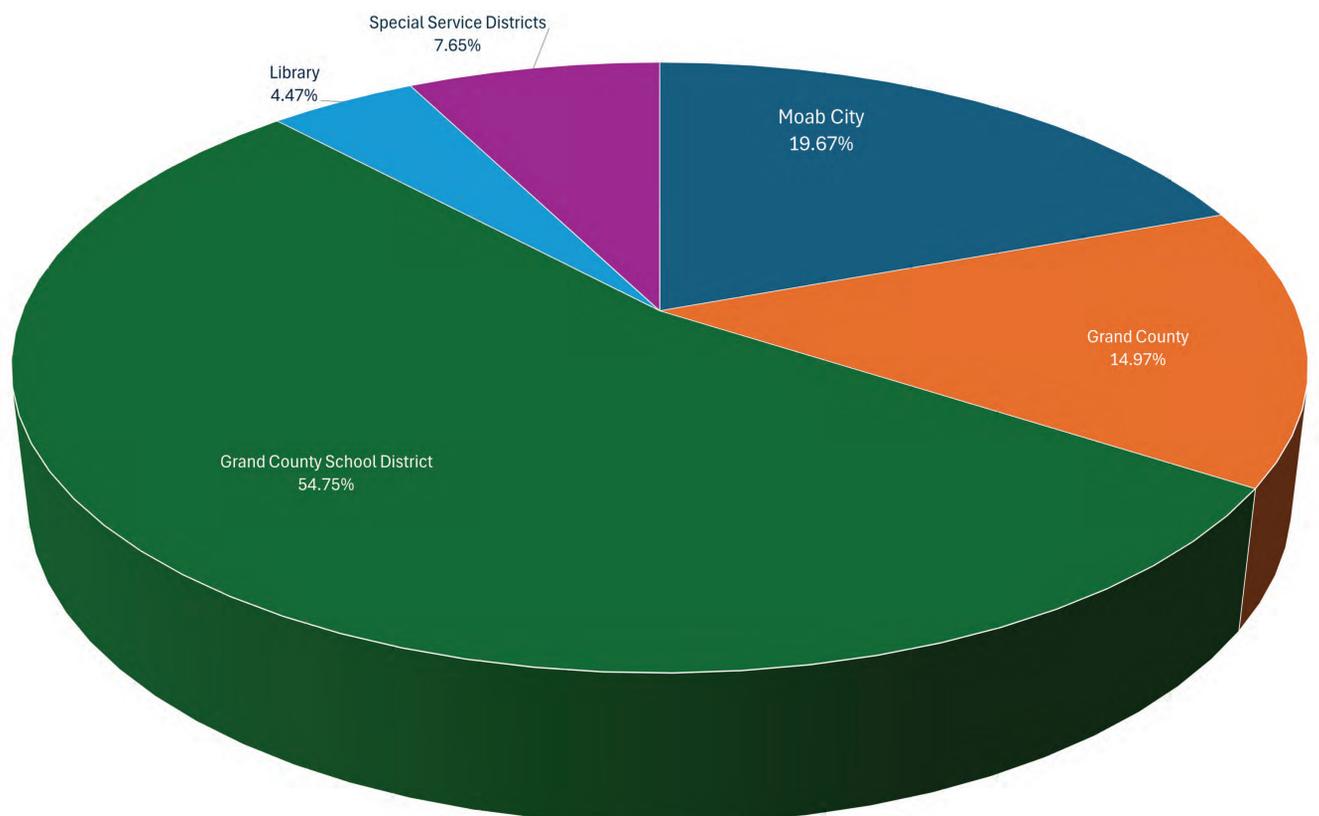
- Grand County Schools
Local Levy, State Levy and State Charter School Levy
- Grand County
Also includes Grand County Library, Debt and County Assessing and Collecting
- Special Service Districts
Moab Valley Fire, Castle Valley Fire, Cemetery Maintenance, Mosquito Abatement,
- Other
Castle Valley Town, State Assessing and Collecting Levy

Note: City of Moab residents do not contribute taxes to Castle Valley Town or Castle Valley Fire District.

Distribution chart courtesy of the Grand County Treasurer

Estimated 2024 Tax Distribution for Moab City Residents

(including proposed City Property Tax)



Entities Collecting Taxes from City of Moab Residents in 2024 If City Tax is Approved

Grand County Schools
(includes School Local Levy, State School Levy and State Charter School Levy)

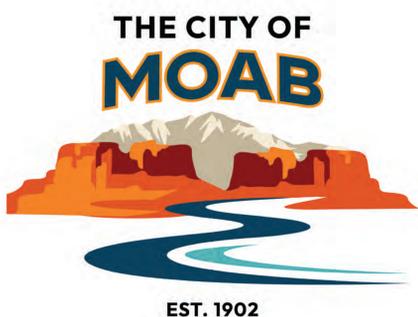
Grand County
(also includes Grand County General Fund, County Assessing & Collecting, Multicounty Assessing & Collecting)

Special Service Districts
(Moab Valley Fire, Cemetery Maintenance, Mosquito Abatement)

Library
(includes Library General and Library Debt)

City of Moab
(if proposed tax is approved for 2024)

Chart based on final estimated tax revenues on properties within Moab city limits as calculated by the Property Tax Division of the Utah State Tax Commission.



HOW MUCH WILL IT COST?

The city's proposed tax rate is .002149, which would result in a tax of approximately \$591 annually for a primary home valued at \$500,000 (about \$118 per \$100,000 in assessed value). The proposed property tax revenue is estimated to be approximately \$3 million.

What will the property tax be used for?

- Capital Projects — major repairs and upgrades to the City's aging infrastructure and facilities such as roads, pathways, active transportation infrastructure, bridge upgrades, and improving intersections, sidewalks,
- Maintaining Capital assets – buildings and facilities and equipment – including the MRAC and other buildings and facilities.

Currently, the City has a backlog of over \$75 million in capital projects, including long-term deferred maintenance.

Why is a property tax needed?

Property tax revenue increases the City's ability to bond for capital projects. Those bonds would provide up to \$20 million in funds so the backlog of capital projects can be planned for and completed more quickly.

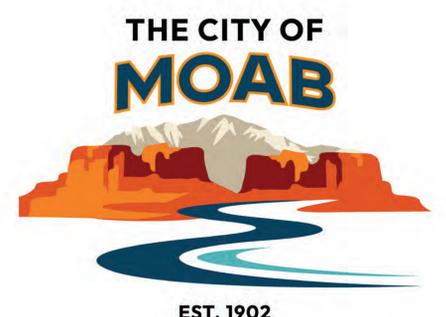
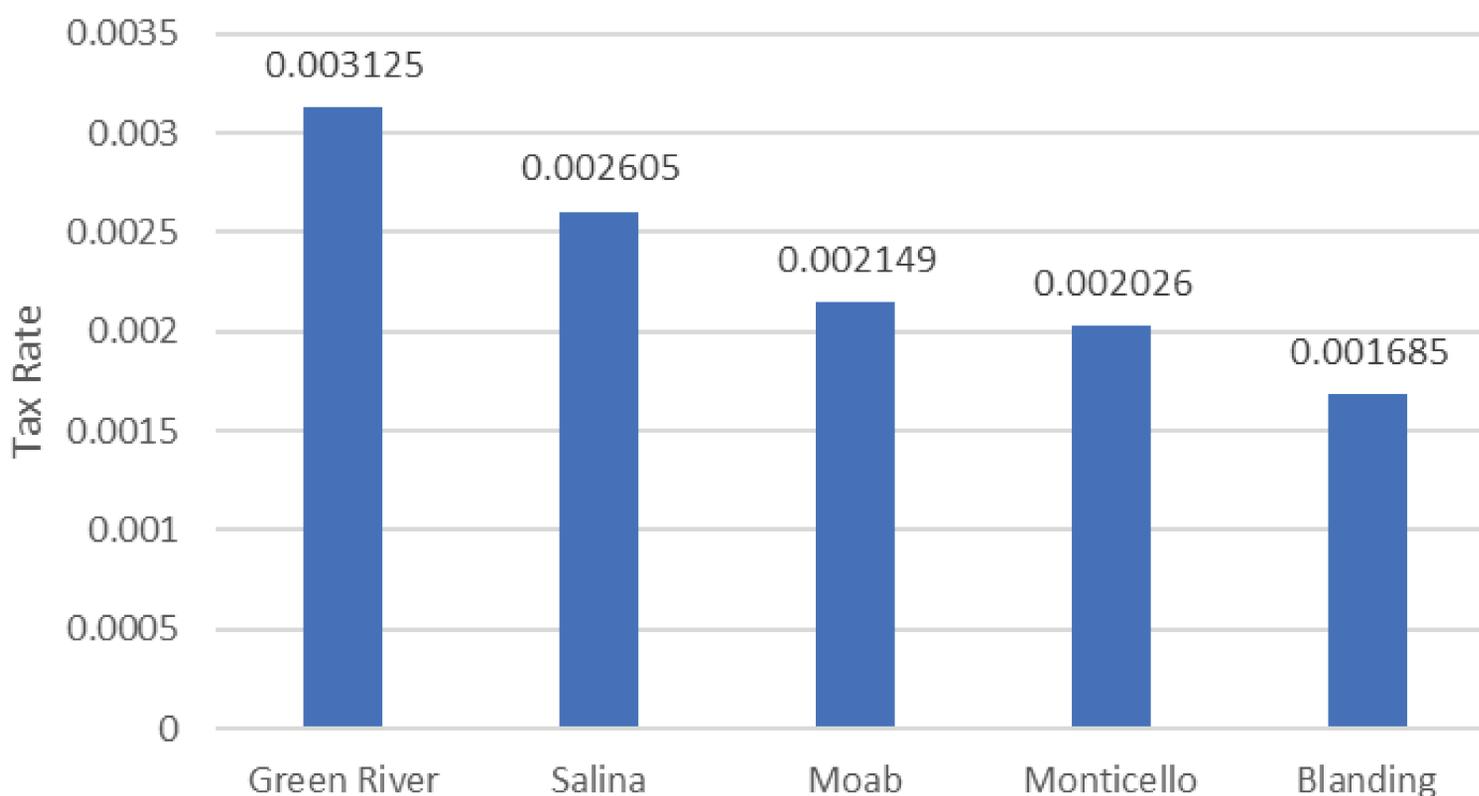
The City will weigh essential infrastructure needs along with community priorities.

The property tax will NOT be used for

- Salaries for city staff; personnel expenses of any kind;
- Administrative operational expenses

Property Tax revenue will be dedicated to the City's Capital Fund.

Property Tax Rate Comparisons



WHO WILL PAY THE PROPERTY TAX?

Property tax is based on the assessed value of a property, inclusive of land and improvements (buildings). This value is determined by the County Assessor, who revises property values every few years. **There is a primary residence discount, which exempts 45% of the property value.** The discount applies to both the home and up to one acre of land. Lots larger than one acre receive the discount on the first acre and pay the tax on the full market value of land exceeding one acre. This discount also applies to properties being used as long-term rentals.

Second homes, properties used as short-term rentals, and commercial properties are taxed at the full assessed value. A property tax enables a city to also allocate the cost of services to those property owners.

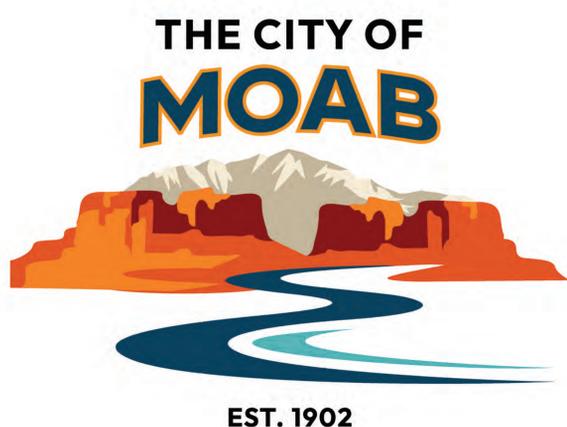
WHAT ABOUT THOSE WHO CAN'T AFFORD A NEW TAX?

Several state programs exist for tax relief. Those who are eligible include indigent and low-income people, disabled veterans, the circuit breaker (those over 66 years old who meet certain income requirements), disabled veterans, the blind, active military or reserve members of the U.S. armed forces, and exempt organizations (non-profit, religious, charitable, educational).



Contact the Grand County Clerk's office at 435-259-1321 or visit grandcountyutah.net/615/tax-abatements for additional information.

Recognizing that this proposed increase will be difficult for some, the City Council budgeted funds for an additional tax relief program. Staff are currently developing that program and it will likely use similar criteria to the programs offered by the state.



FOR MORE INFORMATION
visit the City of Moab's website:
moabcity.org/Property-Taxes

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