

TOWN OF ALTA

FY24 Tax Program Summary

June 5, 2023

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Section 1. Summary of Tax Options

The following table shows 3 tax programs the council and budget committee have requested information on to consider for this budget cycle. If implemented, this chart shows the additional (new) revenue that is estimated for each program for FY24 as compared with FY23.

The Town Council has been planning to go through a truth in taxation process this year. This means that the council will adopt a Tentative Budget on June 21. There will be a public hearings on August 9, and then the council will have to vote on a FY24 Budget and the certified tax rate.

The 0.1% Resort Tax (RR) could be adopted via a resolution and could become effective July 1. The 1% Municipal Room Tax (TM) requires an ordinance be passed, resulting in a delay in the collection of that tax (it would become effective October 1, 2023). The Tentative Budget only anticipates the adoption of the 0.1% RR, but the 1% TM has been included here for consideration.

One of the biggest influencers on the Town's budget is our human resources – our staff. This past winter the Town of Alta commissioned its first compensation study. The results showed that the top positions were well below comparable municipalities. Inflation and recent wage growth, combined with a high demand for public safety employees has placed pressure on the Town's Budget. To allow the Town to recruit and retain a qualified workforce the Tentative Budget includes a \$103k total increase to wages (inclusive of OT etc.) across all departments. The council should be aware that the latest budget numbers include a salary for the Interim Town Manager that is less than the posted salary range for the Town Manager and we expect there to be a gap before a new Assistant Town Administrator is hired. Our current staffing plan for these 2 positions resulted in a reduction in the Administration Department's wages in the Tentative Budget.

Options		Add'l Est. Revenue	First-Year: Add'l Est. Rev	% Change
1	Property Tax: \$243k to \$400k via TNT	\$ 156,677	\$ 156,677	65%
2	Sales Tax: RR, Resort Community Tax (includes Add'l Resort)	\$ 68,717	\$ 68,717	0.10%
3	Sales Tax: TM, Municipal Transient Room Tax	\$ 192,640	\$ 144,480	1.00%
Total		\$ 418,034	\$ 369,874	

Section 2. Property Tax Information

The Town of Alta is considering a property tax increase to support its FY24 budget. The following chart shows a comparison of the current tax rate breakdown for Alta against the draft FY24 rate and some comparable communities in SL County. We are still waiting to receive the tax rate valuation from SL County (middle of June) so the proposed tax rate may be different from the draft rate below. As currently drafted, the tax rate increase would be an additional \$361 per million in valuation.

Taxing Entity	Alta (FY23)	Alta (FY24 draft)	Sandy City	Cottonwood Heights	Brighton	Snowbird (Unincorp SL Co.)
<u>Local Government Levy</u>	0.000682	0.001043	0.000942	0.00203		
Alta Canyon Rec Spcl Svce			0.000114			
Canyons School District	0.004336	0.004336	0.004336	0.004336	0.004336	0.004336
Central UT Water Conserv	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400
Cottonwood Improvement			0.000119	0.000119		
County Assess/Coll Levy	0.000160	0.000160	0.000160	0.000160	0.000160	0.000160
Jordan Sch Old Debt Svce						
Metro Water Sandy			0.000221			
Multi County Assess/Coll	0.000015	0.000015	0.000015	0.000015	0.000015	0.000015
Salt Lake County	0.001459	0.001459	0.001459	0.001459	0.001459	0.001459
SL CO Service Area #3						0.000089
SL County Library	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386
SL County Municipal Svce						0.000048
SL Vly Law Enforcement					0.001984	0.001984
So SL Valley Mosquito	0.000009	0.000009	0.000009	0.000009	0.000009	0.000009
State Basic Schhol Levy	0.001652	0.001652	0.001652	0.001652	0.001652	0.001652
Unified Fire Svce Area	0.001320	0.001320			0.001320	0.001320
Unified Fire SVCE JDG	0.000002	0.000002			0.000002	0.000002
UT Charter School-Canyons	0.000065	0.000065	0.000065	0.000065	0.000065	0.000065
Total	0.010486	0.010847	0.009878	0.010626	0.011788	0.011925
Per 1 Million in Valuation	\$10,486	\$10,847	\$ 9,878	\$10,626	\$11,788	\$11,925
Difference vs. Alta (current)		\$ 361	\$ (608)	\$ 140	\$ 1,302	\$ 1,439

Section 3: Sales Tax Information

The Town Council has been discussing the addition of a 0.1% RR and/or a 1% TM tax. The following table shows the existing rates and how and where the new rates would be implemented. The final table provides some comparable data for consideration so you can see how Alta ranks currently and how it would rank compared with these examples if the taxing options are imposed.

Sales Tax				
<u>CURRENT ALTA SALES TAX RATES</u>		Retail Sales (Non-Food)	Food (restaurant)	Transient Room / Lodging
<i>Misc. State and County</i>		6.15%	7.15%	11.22%
<i>Alta</i>				
LS	Local Sales & Use Tax	1.00%	1.00%	1.00%
RR	Resort Community Tax (includes Add'l Resort)	1.50%	1.50%	1.50%
A2	Addl Transit Local	0.10%	0.10%	0.10%
TM	Municipal Transient Room Tax			
Current Total		8.75%	9.75%	13.82%
<u>OPTIONAL SALES TAX RATE INCREASES</u>		Retail Sales (Non-Food)	Food (restaurant)	Transient Room / Lodging
<i>Misc. State and County</i>		6.15%	7.15%	11.22%
<i>Alta</i>				
LS	Local Sales & Use Tax	1.00%	1.00%	1.00%
RR	Resort Community Tax (includes Add'l Resort)	1.60%	1.50%	1.60%
A2	Addl Transit Local	0.10%	0.10%	0.10%
TM	Municipal Transient Room Tax			1.00%
Optional Total		8.85%	9.75%	14.92%
Difference (current vs. optional increases)		0.10%	0.00%	1.10%
* The rate for store food (unprepared) is 3% statewide (includes 1% LS)				
<u>COMPARABLES: SALES TAX</u>		Retail Sales (Non-Food)	Food (restaurant)	Transient Room / Lodging
Brighton		8.35%	9.35%	14.42%
Cottonwood Heights		7.25%	8.25%	13.32%
Moab		8.85%	9.85%	14.92%
Park City		9.05%	10.05%	13.37%
Sandy City		7.25%	8.25%	13.82%
Snowbird (Unincorporated SL County)		7.25%	8.25%	12.32%