

A Message from the Mayor: 2022-2023 Hyde Park Property Tax Information

How are property taxes calculated?

Each year, property taxes are updated based on appraisals performed by the County Property Tax Assessor's Office on a 5-year cycle. As the value of your home **increases** each year, the certified taxable rate **decreases** so homeowners pay roughly the same amount.

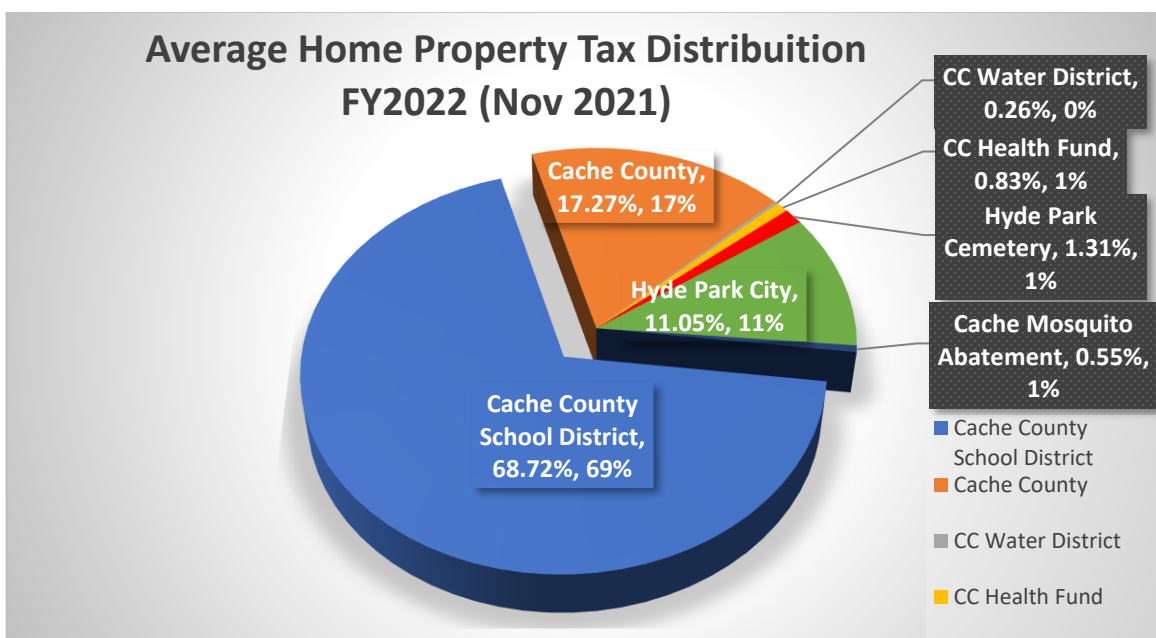
If government entities, like Cache County, Cache County School District to include State School Levy's or Hyde Park need to increase tax revenue, there are two ways to do it:

1. Increase taxing entity rate called Certified Tax Rate (CTR)
2. Maintain current tax rate. Value of property increased by county valuations.

Hyde Park City's taxable rate hasn't changed for 15+ years. Escalating housing costs and property values over the past few years have led to the increase while Hyde Park has not changed our CTR.

How are your property taxes allocated?

Each of the taxing entities have a separate tax rate. Most of the collected property taxes go to the Cache County School District (68.72%). The next largest entity is Cache County (17.27%). Hyde Park only receives 11.05% of the property taxes collected. A few other entities receive the remaining taxes. The chart below further illustrates how property tax is allocated to the taxing entities.





The Challenge with Cache County Property Valuation Process

Utah's "Truth in Taxation" law requires any changes to property taxes to come with resident notification and a public hearing. Annual tax evaluation and consistent updating is necessary for a city to avoid grossly absurd increases at irregular intervals.

Cache County is only supposed to do property tax assessments/appraisals for portions of each city every 5 years. However, Hyde Park City has experienced increases due to Cache County performing "Statistical Valuations" of **all properties** for the past several years. All residents feel the burden of the increase.

This year Cache County appraised homes in Hyde Park that were built from 2006-2021. County appraisals were extremely high this year due to over-inflated home values.

Because residential property values were appraised extremely high, the CTR **for all communities** – (not just those appraised from 2006-2021) are not going to drop enough to balance out the cost for residential properties who experienced the extreme increase. This means that due to the Cache County appraisal process, a significant portion of Hyde Park City residential homes built from 2006-2021 may see their overall property taxes increase by gross amounts.

When we noticed this extreme projection from Cache County, we were alarmed and very concerned for the residents of our community, especially those residents on fixed incomes, or tight budgets. We met with County Officials to discuss what could be done to ensure that residents were not severely impacted by the County's property tax increase. We indicated that if the County were to lower the appraised values to a reasonable level, our community would not have such an unreasonable overall increase in property taxes. Cache County indicated that their hands are tied by State Tax Laws. The only other remedy offered is allowing individuals to contest their property appraisals. The County has been very reluctant to ever allow a decrease to an appraised property value.

Another solution to the extreme increase is to have the State Legislature set thresholds so that individuals could never be hit with an increase, or decrease, larger than a certain dollar amount regardless of extreme appraisals (i.e., \$100 maximum increase/decrease in a given year to a total property tax bill).

We are currently pressuring state entities to help correct this issue, but it's going to take help from all residents.

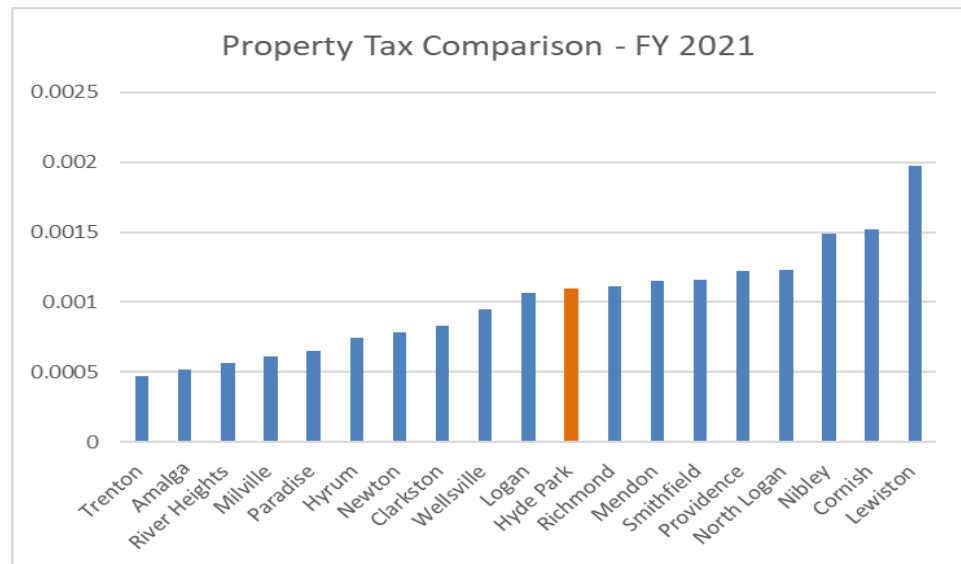
***You can contact the Cache County Assessor Office at (435) 755-1590
They do have an option for property tax relief!***

[Official Site of Cache County, Utah - Property Value Appeals](#)

[Official Site of Cache County, Utah - Property Tax Relief](#)



This graph shows a comparison of Hyde Park's taxable rate and the other 18 communities in Cache County. Our rate has been .0011 for 15+ years, which puts Hyde Park right in the middle.



How Hyde Park City Tax Funds are Used

The previous graph only shows a comparison with neighboring communities. I want to show what Hyde Park is doing with our taxes. All taxes and fees collected by the city must be used for certain things. One of the things property tax funds are used for is our emergency services (Police, EMS, and Fire). Below is a table that shows the increase in cost to the city for the past 5 years.

Emergency Services	2018	2019	2020	2021	2022	2023 (Budget)	Percent increase over 5 years
North Park Police	\$ 329,844.99	\$ 350,556.60	\$ 388,950.72	\$ 491,770.69	\$ 529,922.74	\$ 700,000.00	112%
Smithfield Fire Dept	\$ 47,541.98	\$ 48,750.96	\$ 90,250.08	\$ 109,625.04	\$ 167,488.00	\$ 165,000.00	247%
Total Emergency Services	\$ 377,386.97	\$ 399,307.56	\$ 479,200.80	\$ 601,395.73	\$ 697,410.74	\$ 865,000.00	129%

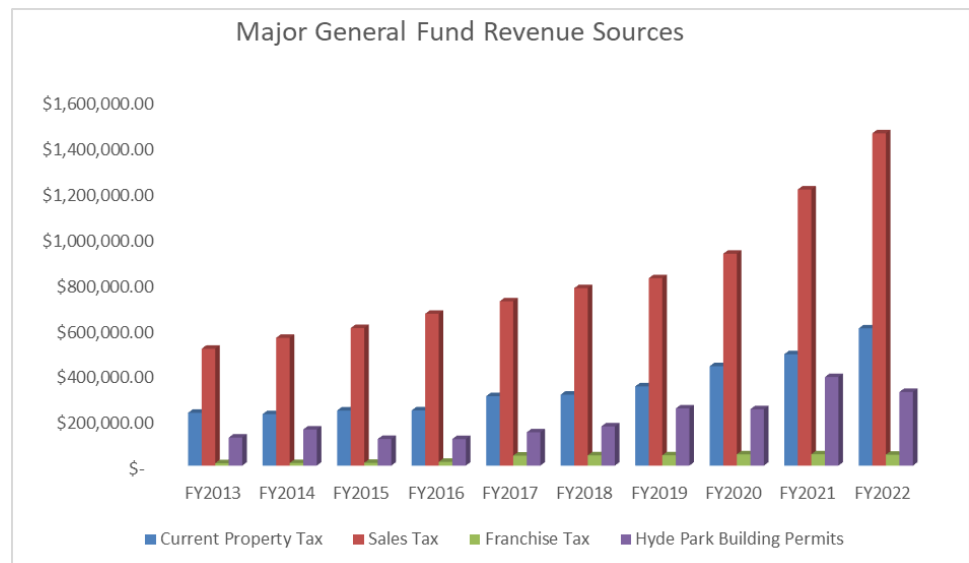
The North Park Police Department is an agency created by Hyde Park and North Logan. One of the major contributing factors to their increase has been getting the police officers to a livable wage. At the writing of this document, there were approximately 100 police officer openings within the state of Utah. It makes the market very competitive and difficult for a small department like ours.

As I see it, the department costs are unsustainable for Hyde Park, and North Logan's Mayor agrees. We are committed to keeping good officers, offering a fair and livable wage, while working to create a sustainable police budget.

The Smithfield Fire Department provides excellent emergency services and Hyde Park receives a bill based on households and businesses. Hyde Park City has no say in Smithfield Fire Department's budgeting process.

Where City Funds Come From

Hyde Park City is funded primarily through two categories of revenue: taxes and fees. Tax revenue is primarily used to pay for services provided to the public in general such as police, fire, streets, and parks. The chart to the right shows where the funds in the general fund comes from.



Goals In Hyde Park City

- 1) Hyde Park City constantly strives to live within our means, reduce expenses, and stretch the hard-earned tax dollars we receive from residents. Here are some ways we have reduced spending in recent years:
 - a) Perform inhouse work where possible.
 - b) Collaborate with other cities, private entities, and the County to provide services (i.e., Chip Sealing, North Logan Recreation, etc.).
 - c) Obtain Grants: Over the past 5 years Hyde Park City has received **more than \$7,500,000 in grants** and continues to seek funding opportunities.
 - d) Planning for Economic Development: We are working to re-write the General Plan which includes a section on economic growth and opportunity.
- 2) Continue to exercise frugal fiscal policies and seek grants where applicable.
- 3) Ease Hyde Park resident's tax burden created by the Cache County appraisal process by working with state representatives to change State Tax policies implemented by the State Legislature and consider the impact they have on every resident.

I hope this helps you better understand our property taxes, the impact of Cache County's valuations, and how Hyde Park City utilizes the collected taxes. I am currently working with city staff to develop a recommendation to the city council that will have less impact on residents while allowing us to maintain a reasonable budget. I apologize for the length of this letter. On the positive side, its shorter than state tax code.

Respectfully,

Bryan L. Cox
Mayor, Hyde Park City
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