

Millcreek City Council

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Proposed Property Tax Increase FAQs

What do my property taxes pay for?

In Millcreek, the full amount listed on the “Millcreek City” line on your Property Tax Notice goes to pay for the Unified Police Department contract that provides policing services to the city. All other services are paid for with sales taxes distributed by the state or fees paid by applicants for business licenses, building permits, etc. along with Millcreek’s portion of state fuel taxes.

Does Millcreek receive the entire amount listed on my Property Tax Notice?

Millcreek only receives the amount shown as “Millcreek City” under the list of Service Providers, not the entire amount residents pay. The entire amount on this line item pays for our Unified Police Department contract. The tax notice also includes amounts for other entities. The largest amount paid by Millcreek residents goes to the Granite School District and the State Basic School Levy and Salt Lake County with lesser amounts going to libraries and others. For an average home value of \$653,000, taxes to Millcreek would increase from \$498.86 to \$521.84, an increase of \$22.99.

Why is a tax increase needed this year?

“Help wanted” signs are everywhere in this labor short economy, and this is especially true in law enforcement, which is seeing fewer qualified applicants. To maintain the level of police service we have enjoyed, we have to keep pace with rising police wages or lose our qualified officers to other departments paying more.

Can’t we make do with fewer UPD officers to save on costs?

One of the main concerns the City Council hears from residents is regarding speeding and other traffic problems. They also get requests for additional enforcement to handle all sorts of crimes, including residential and vehicle burglaries and removing illegal drugs from our streets. Residents often ask for additional police presence to deter crime throughout the city, and the UPD must balance requests against resources on an ongoing basis.

While crime has been dropping overall in Millcreek in the past few years, historically robbery and property crimes rise during recessions. Now is not the time to decrease police services. Most of the feedback city leaders are receiving from residents is that they would like to see more officers patrolling our streets, not fewer.

While we have 60 officers working in Millcreek, they are not all on the job at the same time. Officers are scheduled to be on duty during times of greatest need based on calls for service. Scheduling must be done to accommodate mandatory in-service training, specialized training, military leave, sick leave, and secondary assignments. Additionally, officers are not divided up by council district but rather by population and areas of need across the city.

How many officers are currently in the UPD Millcreek Precinct?

The Millcreek Precinct currently has 61 full-time employees, including one chief, one executive officer, eight sergeants of which five are patrol sergeants (two are paid for by Holladay City and share patrol supervision to capture economies of scale), 47 officers, one mental health officer working on a UPD-wide team, one victim advocate and two secretaries/office specialists. There are currently three open allocations.

Respected national guidelines recommend a minimum of one officer per thousand residents. Millcreek has 63,000 residents, and UPD requires all the communities they serve to be close to that ratio.

Increasing the police budget by \$2.5 million seems too expensive. Should Millcreek leave the UPD?

Being a part of the UPD brings with it many economies of scale including access to specialized units such as SWAT, victim advocacy, and more trained officers to address the needs of a community the size of Millcreek. In addition, we achieve economies of scale by sharing human resources, specialized legal counsel, finance, benefits, records, evidence, forensics and investigations (detectives). Over the five years since incorporation, we have heard from many residents requesting that we remain with the UPD, and they are pleased with the service they provide. A stand-alone police department would encounter the same difficulties with hiring and retaining qualified officers along with having the same basic costs that continue to increase such as vehicles, maintenance, gas, etc. Cities that recently left UPD are seeing similar—or even higher—increases.

What are other cities doing—are they having the same problem?

All cities are facing this problem of rising costs, especially in law enforcement. Nine other cities in Salt Lake County, and various other entities, are proposing a tax increase this year. Some cities had large increases last year (like Holladay’s 50% hike).

Cities in Salt Lake County	Current Property Tax Rate	Certified Tax Rate (No Increase)	Proposed Property Tax Rate	% Increase	UFA Property Tax Rate	Law or Safety Enforcement Tax	Other Fire Service Area Tax	Other Types of Tax Districts	Total of Property Related Taxes	Telecommunications Tax
Draper	0.001141	0.000927	0.000927	0.00%					0.000927	3.50%
Sandy	0.001174	0.000942	0.000942	0.00%					0.000942	3.50%
Holladay	0.001605	0.001330	0.001330	0.00%					0.001330	3.50%
South Jordan	0.001628	0.001263	0.001440	14.01%					0.001440	3.50%
West Jordan	0.001788	0.001398	0.001476	5.58%					0.001476	3.50%
Bluffdale	0.001519	0.001161	0.001519	30.84%					0.001519	3.50%
Murray	0.002026	0.001659	0.001855	11.81%					0.001855	3.50%
Taylorsville	0.000825	0.000673	0.000741	10.10%	0.001322				0.002063	3.50%
Alta	0.000760	0.000682	0.000682	0.00%	0.001322			0.000114	0.002118	3.50%
Midvale	0.000987	0.000811	0.000870	7.27%	0.001322				0.002192	3.50%
Cottonwood Heights	0.001740	0.001442	0.001442	0.00%				0.001021	0.002463	
South Salt Lake	0.001536	0.001224	0.002565	109.56%					0.002565	3.50%
Riverton	0.000000	0.000000	0.000000	0.00%		0.001503	0.001177		0.002680	3.50%
Millcreek	0.001699	0.001389	0.001453	4.61%	0.001322				0.002775	
West Valley City	0.002995	0.002525	0.002800	10.89%					0.002800	3.50%
Herriman	0.000194	0.000194	0.000194	0.00%		0.001320	0.001320		0.002834	3.50%
Salt Lake City	0.003424	0.002876	0.003158	9.81%					0.003158	3.50%
Brighton	0.000000	0.000000	0.000000	0.00%	0.001322	0.001984			0.003306	
Copperton Township	0.000051	0.000048	0.000048	0.00%	0.001322	0.001984			0.003354	
Emigration Canyon Township	0.000051	0.000048	0.000048	0.00%	0.001322	0.001984			0.003354	
Magna Township	0.000051	0.000048	0.000048	0.00%	0.001322	0.001984			0.003354	
White City Township	0.000051	0.000048	0.000048	0.00%	0.001322	0.001984			0.003354	
Kearns Township	0.000051	0.000048	0.000048	0.00%	0.001322	0.001984		0.000751	0.004105	

Above is a chart of cities and townships throughout Salt Lake County that shows the current property tax rate, the certified tax rate based on the appreciation of property values if there were to be no tax increase, the tax rate each city or township has proposed for next year, additional rates for fire, police services, and franchise fees if tax and ratepayers in those jurisdictions are paying for them.

Below is a Notice of Proposed Tax Increases in Salt Lake County that was published in The Salt Lake Tribune on Sunday, July 17th, 2022. You can also view this list by visiting [Salt Lake County's website](#).

Entities proposing a tax increase	Average Value	If approved, tax will increase			Public hearing information		
		From:	To:	Date/Time	Location	Phone	
Bluffdale City	\$ 691,000	Residential	\$ 441.24	\$ 577.30	Aug 16, 2022 7:00 PM	2222 West 14400 South Bluffdale City	801-254-2200
		Commercial	\$ 802.25	\$ 1,049.63			
Central Utah Water Conservancy	\$ 561,000	Residential	\$ 99.35	\$ 123.42	Aug 22, 2022 6:00 PM	1426 East 750 North Bldg 2 Orem	801-226-7100
		Commercial	\$ 180.64	\$ 224.40			
Granite School	\$ 485,000	Residential	\$ 1,461.26	\$ 1,500.47	Aug 02, 2022 7:30 PM	2500 South State St South Salt Lake City	385-646-4700
		Commercial	\$ 2,656.83	\$ 2,728.13			
Herriman City Fire Service Area	\$ 593,000	Residential	\$ 182.32	\$ 430.52	Aug 03, 2022 6:00 PM	5355 W Herriman Main St Herriman City	801-446-5323
		Commercial	\$ 331.49	\$ 782.76			
Jordan School	\$ 586,000	Residential	\$ 1,479.36	\$ 1,733.01	Aug 02, 2022 6:00 PM	12476 S Silverwolf Way Riverton City	801-567-8202
		Commercial	\$ 2,689.74	\$ 3,150.92			
Jordan Valley Water Conservancy	\$ 604,000	Residential	\$ 98.33	\$ 105.97	Aug 10, 2022 6:00 PM	8215 South 1300 West West Jordan City	801-565-4300
		Commercial	\$ 178.78	\$ 192.68			
Midvale City	\$ 447,000	Residential	\$ 199.38	\$ 213.89	Aug 16, 2022 6:00 PM	7505 South Holden St Midvale City	801-567-7206
		Commercial	\$ 362.52	\$ 388.89			
Millcreek City	\$ 653,000	Residential	\$ 498.86	\$ 521.84	Aug 08, 2022 7:00 PM	3330 South 1300 East Millcreek City	801-214-2700
		Commercial	\$ 907.02	\$ 948.81			
Murray City & Murray City Library	\$ 523,000	Residential	\$ 477.21	\$ 533.59	Aug 09, 2022 6:30 PM	5025 South State St Murray City	801-264-2513
		Commercial	\$ 867.66	\$ 970.17			
Salt Lake City	\$ 576,000	Residential	\$ 765.39	\$ 854.73	Aug 16, 2022 7:00 PM	451 South State St #326 Salt Lake City	801-535-7600
		Commercial	\$ 1,391.62	\$ 1,554.05			
Salt Lake City Library	\$ 576,000	Residential	\$ 172.34	\$ 195.78	Aug 16, 2022 7:00 PM	451 S State St #326 Salt Lake City	801-535-7600
		Commercial	\$ 313.34	\$ 355.97			
Salt Lake City School	\$ 576,000	Residential	\$ 1,326.44	\$ 1,339.11	Aug 02, 2022 7:00 PM	465 South 400 East Salt Lake City	801-578-8260
		Commercial	\$ 2,411.71	\$ 2,434.75			
South Jordan City	\$ 500,000	Residential	\$ 347.33	\$ 396.00	Aug 16, 2022 6:30 PM	1600 W Towne Center Dr South Jordan City	801-254-3742
		Commercial	\$ 631.50	\$ 720.00			
South Salt Lake City	\$ 397,000	Residential	\$ 267.26	\$ 560.07	Aug 09, 2022 7:00 PM	220 East Morris Ave South Salt Lake City	801-412-3226
		Commercial	\$ 485.93	\$ 1,018.31			
Taylorsville City	\$ 432,000	Residential	\$ 159.90	\$ 176.06	Aug 16, 2022 6:30 PM	2600 W Taylorsville Blvd Taylorsville City	801-963-5400
		Commercial	\$ 290.74	\$ 320.11			
Traverse Ridge Special Service	\$ 743,000	Residential	\$ 144.66	\$ 289.32	Aug 24, 2022 7:00 PM	1020 East Pioneer Rd Draper City	801-400-2200
		Commercial	\$ 263.02	\$ 526.04			
West Jordan City	\$ 496,000	Residential	\$ 365.01	\$ 386.28	Aug 09, 2022 6:00 PM	8040 South Redwood Rd West Jordan City	801-569-5017
		Commercial	\$ 663.65	\$ 702.34			
West Valley City	\$ 393,000	Residential	\$ 545.78	\$ 605.22	Aug 09, 2022 6:30 PM	3600 S Constitution Blvd West Valley City	801-963-3235
		Commercial	\$ 992.33	\$ 1,100.40			

Is Utah the only state facing challenges in funding police?

No, this is a county, state, and national problem. Below are some links to articles discussing this funding challenge from across the country:

- [City, police union agree on pay hikes; Hamilton may seek higher income taxes to pay for it](#)
- [Raleigh proposal raises taxes, increases pay for police, firefighters](#)
- [Myrtle Beach tax increase would pay make firefighters and police highest starting pay in SC](#)
- [Pay raises for Alexandria City Police could mean tax hike for homeowners](#)
- [\[Greensboro\] City Council Considering Raises For Police And Fire](#)
- [\[Statesboro\] City eyes tax increase to raise police pay](#)
- [Knoxville mayor proposes tax and pay increase to combat city and police staffing shortages](#)
- [Picayune city leaders considering tax increase to replace deteriorating police department](#)

Is there relief for residents on fixed incomes?

Eligible elderly residents on fixed incomes may be able to take advantage of the Circuit Breaker tax relief program to reduce taxes on their primary residence. Those eligible may obtain:

- A reduction or abatement of property taxes on a principal residence equivalent to a 20% reduction in fair market value of your property.
- A credit of up to \$1,110 against taxes due on a primary residence.

For additional Circuit Breaker Tax Abatement information, please visit the Salt Lake County Treasurer's website: [Circuit Breaker Tax Abatement - Treasurer | SLCo.](#)

The value of my property has risen, doesn't that bring more revenue to the city?

The calculation of tax rates is a complicated issue and [this video](#) may help residents understand how it works. However, the bottom line is that although the value of your property may go up, the city can only collect the same amount of property tax as it did the year before — unless there is a formal hearing to raise the tax rate. If your property value is rising faster than the average home value in the city, you may see your property taxes going up a bit (someone else's will go down), but the city does not receive any more revenue because of appreciation. Appreciation generally makes the tax rate (the multiplier which time valuation equals your tax) go down so that the same amount is collected by the city. Here's an illustration:

A taxing entity charges a .0100000 (1%) tax rate. A home valued at \$400,000 pays \$4,000. Another home valued at \$150,000, pays \$1,500. Combined, the taxing entity has raised a total of \$5,500 from these two homes.

The next year, the first home's value increases to \$500,000 and the second home is now valued at \$160,000. To generate the same \$5,500 it collected the previous year, the taxing entity's rate must be reduced to .0083333 (calculated by dividing 5,500 by the combined new value of the two houses, i.e., 660,000). While both homes have increased in value, the law redistributes who pays what. The first home's property tax is increased to \$4,167 (\$500,000 multiplied by .0083333), while the second home's property tax is decreased to \$1,333 (\$160,000 times .0083333). In spite of these individual fluctuations, the taxing entity still receives only \$5,500. There has been no tax increase; it's just a redistribution of who is paying.

Applying these principles to thousands of homes across our city, with more than a dozen entities collecting taxes, you can see why your individual property taxes change from year to year, sometimes dramatically, even if the city has not raised taxes.

The tax rate the City charged last year was 0.001699. With current property values, and had there been no issue regarding police wages, the tax rate would have decreased to 0.001389. To help pay for the increase in police wages, the City is considering a tax rate of 0.001453, which would allow the City to raise 4.61% more in property tax revenue than it did last year.

What are other options the City Council is exploring besides raising property taxes?

Based on comments received to this point from residents, the City Council is considering a small tax increase of around 4.61%, a \$500,000 transfer from fund balance (rainy day fund), plus a 6% Municipal Energy Sales & Use Tax (commonly known as a franchise fee) which would begin in January 2023. (The 6% is an amount specified in state law and cannot be increased without a change in state law).

This option would help keep property tax increases lower for future years, although transfers from fund balance are not sustainable.

What is a Municipal Energy Sales & Use tax?

Utah allows a municipality to adopt a tax on gas, electricity, and telecommunications services. Millcreek is the only city in Salt Lake County which does not collect this 6% fee. Why do they all have this utility fee? Good, stable tax policy calls for broadening the tax base to keep rates as low as possible and to spread out the sources of government revenue to not hit anyone too hard. Unlike property taxes, this utility fee is paid by everyone, including non-profit entities as well as residential and commercial properties. This franchise fee will apply to churches, schools, credit unions, and other non-profits who are exempt from paying property taxes but who still receive and benefit from police and other services.

Instead of pursuing new construction such as Millcreek Common and City Hall, couldn't we use that money to pay the UPD salaries?

Millcreek Common and City Hall are being financed by municipal bonds which are earmarked for those purposes. These funds cannot be utilized for other projects or salaries. Bond payments for Millcreek Common will be paid with the tax increment collected by the new developments in the city center area, not Millcreek taxpayers generally. Tax increment is the additional property tax revenue generated by new development above and beyond what used to be paid for that same property. For example, a six-story mixed-use building pays a lot more in property taxes than the empty parking lot it was built upon. This difference between what the site used to pay and what it now pays after redevelopment is called "increment" and is what pays those bonds. Learn more [HERE](#). The bond payments for City Hall will be paid from Millcreek's general fund over 30 years (like a mortgage) but will be paid in lieu of the rent currently being paid for both our "strip mall" City Hall and our substandard police precinct headquarters on 3900 South.