

City of Dayton Addresses Property Tax Rate Adjustment and Community Investment Plans

With property tax notices recently mailed, the Dayton City Council has received several questions regarding the tax rate increase, the city's financial stewardship, and how these changes affect property owners. These are all important and understandable questions. The Council would like to share the background and data that informed this decision—one that has been discussed publicly and extensively over the past several months. All Council meetings are open to the public, and residents are encouraged to attend to stay engaged in local decision-making.

Increasing the property tax rate was not an easy choice, but it was a necessary one. Just as families across our community are feeling the impact of inflation and rising costs, the City faces similar pressures. This year's budget reflected a budget deficit of nearly \$1 million, driven by several unavoidable expenses:

- Replacing aging vehicles in the municipal fleet
- Maintaining and upgrading essential equipment for first responders
- Keeping up with increased costs across all departments.

In addition, the City must hire additional firefighters to maintain our Insurance Services Office (ISO) rating, which directly affects homeowners' insurance rates. This hiring effort alone is expected to add approximately \$750,000 in annual expenses. Failing to maintain the city's ISO rating could cause residents' home insurance premiums to rise substantially.

The chart below illustrates Dayton's property tax rates over the past several years. The City has consistently worked to keep rates as low as possible—often adjusting them downward as property values rose to prevent tax burdens from increasing. However, that approach is no longer sustainable. Property tax revenue is currently the City's primary funding mechanism for essential services, and the recent adjustment ensures continued operation and maintenance of vital community functions.

Dayton City Property Tax Rates

Year	Tax Rate	Note
2018	0.64	---
2019	0.5766	Property Values Reassessed
2020	0.58	---
2021	0.58	---
2022	0.58	---
2023	0.83	---
2024	0.524	Property Values Reassessed
2025	0.84	---

When compared with surrounding counties and municipalities, Dayton's tax rate, even after the 2025 adjustment, remains among the lowest in the region. See Attached.

The City Council is committed to long-term financial sustainability. One initiative under active consideration is the potential sale of the City's water and sewer department to Tennessee American Water, a proposal supported by the department's leadership. This transition would relieve the City of maintaining aging and costly infrastructure, much of which currently lacks sufficient funding. The sale would generate approximately \$25 million in revenue, which could be invested to create a permanent endowment producing roughly \$2 million annually to support the general fund. This approach would help the City expand parks, recreation facilities, and other public services while reducing the need for future tax increases.

The Council remains committed to transparency and responsible management of public funds. Residents are encouraged to participate in upcoming meetings, share feedback, and to review the full budget information.

2024 Property Tax Rates

2024 Property Tax Rates												
		County	City			County	City					
Anderson County:		2.6289		Meigs County:		1.6885						
	Clinton	2.6016	0.8646		Decatur	1.6885	0.3449					
	Norris	2.6289	1.5439									
	Oak Ridge	2.4560	2.3136	McMinn County:		1.0823						
	Oliver Springs	2.6289	1.3360		Athens	1.0823	1.0078					
	Rocky Top	2.6289	2.0755		Calhoun	1.0823	0.3345					
					Englewood	1.0823	0.8003					
Bledsoe County:		2.0630			Etowah	1.0823	1.2747					
	Pikeville	2.0630	1.0000		Niota	1.0823	0.8639					
					Sweetwater	1.0823	0.9346					
Bradley County:		1.4392		Monroe County:		1.5228						
	Charleston	1.4392	0.3910		Madisonville	1.5228	0.5995					
	Cleveland	1.4392	1.7130		Sweetwater	1.5228	0.9346					
Cumberland County:		1.1350			Tellico Plains	1.5228	0.3134					
	Crossville	1.1350	0.6059		Vonore	1.5228	0.3504					
Hamilton County:		2.2373		Rhea County:		1.3486						
	Chattanooga	2.2373	2.2500		Dayton	1.3486	0.5240					
	Collegedale	2.2373	1.5500		Graysville	1.3486	0.5934					
	East Ridge	2.2373	1.2500		Spring City	1.3486	0.9938					
	Lakesite	2.2373	0.2000	Roane County:		2.4000						
	Lookout Mountain	2.2373	2.2600		Harriman	2.3250	1.0900					
	Red Bank	2.2373	1.6700		Kingston	2.3250	1.3100					
	Ridgeside	2.2373	2.5500		Oak Ridge	2.3250	2.3136					
	Signal Mountain	2.2373	1.7012		Oliver Springs	2.3250	1.3360					
	Soddy Daisy	2.2373	1.3200		Rockwood	2.3250	1.0500					
	Walden	2.2373	0.5315	Sequatchie County:		1.8366						
Loudon County:		1.7683		Sequatchie County:		1.8366						
	Lenoir City	1.3883	0.9455		Dunlap	1.8366	0.5780					
	Loudon	1.7383	1.1900									