

Introduced by: Mayor Matherly
Finance Committee: June 2, 2017
Date: June 5, 2017

RESOLUTION NO. 4793

**A RESOLUTION FIXING THE RATE OF TAX LEVY FOR
MUNICIPAL PURPOSES FOR THE 2017 REAL PROPERTY
TAX OF THE CITY OF FAIRBANKS, ALASKA**

WHEREAS, the real property assessment rolls have been completed, and the Fairbanks North Star Borough Assessor's Office has advised the City Mayor that the net taxable value of real property, as defined by AS 29.71.800, within the City of Fairbanks, Alaska, is estimated at **\$2,712,215,673**.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

Section 1. The rate of levy on the net assessed value of taxable real property is hereby fixed at 5.874 mills for municipal purposes within the City of Fairbanks. The 5.874 mill rate as provided in Fairbanks Charter Section 6.5 is comprised of three parts:

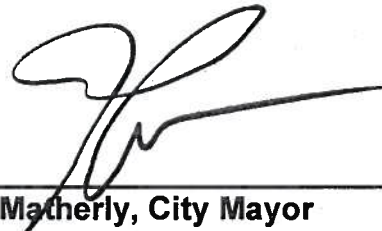
General Fund Expenditures:	4.900 mills
Voter approved services(Prop A):	.256 mills
Claims & Judgments:	.718 mills

Section 2. The taxes levied hereby are due, delinquent and subject to penalties and interest as provided by Fairbanks General Code Chapter 74, Article II.

Section 3. Taxes in any given year may be paid in two equal installments. The first half of taxes thus levied shall be due on the first day of September in the year in which the taxes are levied and are delinquent if not paid prior to the close of business on that day. The second half of taxes thus levied shall be due on the first day of November in the year in which the taxes are levied and are delinquent if not paid prior to the close of business on that day.

Section 4. The sections, paragraphs, sentences and clauses and phrases of this Resolution are severable. Should any part of this Resolution be declared unconstitutional or otherwise unlawful by a valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or unlawfulness shall not affect any of the remaining sections, clauses, sentences, paragraphs and phrases of this Resolution.

PASSED and APPROVED this 5th day of June 2017.



Jim Matherly, City Mayor

AYES: PASSED and APPROVED on the CONSENT AGENDA

NAYS: None

ABSENT: None

APPROVED: June 5, 2017

ATTEST:

APPROVED AS TO FORM:



D. Danyielle Snider, CMC, City Clerk



Paul J. Ewers, City Attorney

**City of Fairbanks
Property Tax Computation for Mill Levy**

City Charter Sec. 6.6 A. Formula for the computation of the maximum allowable tax is: **(A-B)+D+F=G**

	<u>2016</u>	<u>2017</u>
A Total Amount of City Tax Levied in Prior Year	\$ 20,135,323	\$ 20,473,437
B Equals the amount of the actual payment of principal and interest on bonds made in prior year		
Amount levied for judgments in prior year	(1,332,632)	(1,298,719)
Amount levied for additional voter approved taxes in prior year	(695,380)	(695,380)
(A-B)	18,107,311	18,479,338
D The percentage change in the CPI-U for Anchorage, AK during prior year multiplied by the net taxes levied in prior year	0.50% 0.40%	
	90,537	73,917
F The total amount of all exclusions under City of Fairbanks Charter	2,292,914	2,883,403
G Total taxes calculated:	G=(A-B)+D+F	
	\$ <u>20,490,762</u>	\$ <u>21,436,658</u>

Property tax calculation:

Current Year Hotel/Motel Tax Budgeted	HOLD AT 1999	\$ (2,233,308)	\$ (2,233,308)
Current Year Alcohol Tax Budgeted		(2,280,000)	(2,280,000)
Current Year Tobacco Tax Budgeted		(940,000)	(940,000)
Current Year Marijuana Tax Budgeted		(10,000)	-
		<u>15,027,454</u>	<u>15,983,350</u>
FGC Sec. 74-35 Surplus which exceeds 2% of prior year Revenue Cap			
Total property taxes allowed by tax cap:		\$ <u>15,027,454</u>	\$ <u>15,983,350</u>

Mill Levy calculation:

Total net taxable value of Land and Improvements	\$ 2,656,332,566	\$ 2,712,215,673
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	<u>2016</u>	<u>2017 BUDGET</u>
Calculated mill levy	5.657	5.893
Amount for voter approved services, Judgements and Claims Insurance	0.778	0.974
4.9 mills allowed by Charter	4.900	4.900
2015/2016 Property tax	5.651	5.874
Other Taxes that can be levied	0.007	0.019

2016 Mill Levy Break Down	
Allowed by Charter	4.900
Additional voter approved services	0.256
Judgments	0.717
Other taxes that can be levied	5.874
Calculated mill levy	5.893

* Calculation of F: The total amount of all exclusions under City of Fairbanks Charter section 6.5(B).

f.1 The taxes on new construction or property improvements equals the projected tax revenue from the value of that new construction or property improvements, computed by multiplying the tax rate applied to properties in the City during the current fiscal year by the assessed value of the new construction and property improvements:

New construction & improvements certified value:	\$42,876,506
Prior Year mill rate:	5.651
	<u>242,295</u>

f.2 The principal and interest due in the next fiscal year on bonds:	0
f.3 Taxes to provide additional voter-approved services:	695,380
f.4 Taxes for new judgments & claims mitigation insurance:	1,945,728
f.5 Special appropriations necessary on an emergency basis:	0
f.6 Any taxes approved by the voters: (marijuana already included above)	<u>2,883,403</u>

Proposition A - 2011
Amounts from 2016 Risk Budget adjusted to actuals at year end