

Introduced by: Mayor Matherly
Finance Committee: June 5, 2018
Date: June 11, 2018

RESOLUTION NO. 4837

**A RESOLUTION FIXING THE RATE OF TAX LEVY FOR
MUNICIPAL PURPOSES FOR THE 2018 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 **\$2,730,605,611**.

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 6.979 mills for municipal purposes within the City of Fairbanks. The 6.979 mill rate as provided in Fairbanks Charter Section 6.5 is comprised of three parts:

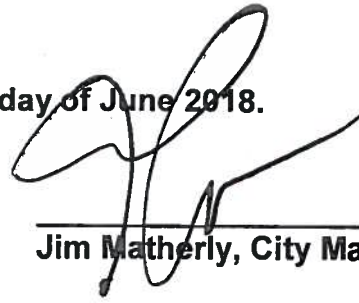
General Fund Expenditures:	4.900 mills
Voter approved services (Proposition A, 2011):	.255 mills
Claims & Judgments:	1.825 mills

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 11th day of June 2018.



Jim Matherly, City Mayor

AYES: PASSED and APPROVED on the CONSENT AGENDA
NAYS: None
ABSENT: Huntington
APPROVED: June 11, 2018

ATTEST:



D. Danyielle Snider, CMC, City Clerk

APPROVED AS TO FORM:



Paul J. Ewers, City Attorney

**City of Fairbanks
Property Tax Computation for Mill Levy
2018**

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

	2017	2018
A Total Amount of City Tax Levied in Prior Year	\$ 20,473,437	\$ 21,384,273
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	(1,298,719)	(1,945,728)
Amount levied for additional voter approved taxes in prior year	(695,380)	(695,380)
(A-B)	18,479,338	18,743,165
D The percentage change in the CPI-U for Anchorage, AK during prior year multiplied by the net taxes levied in prior year.	0.40% 0.50% 73,917	93,716
F The total amount of all exclusions under City of Fairbanks Charter	2,883,403	5,830,499
G Total taxes calculated: G=(A-B)+D+F	<u>\$ 21,436,658</u>	<u>\$ 24,667,380</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)	(2,208,634)
Current Year Tobacco Tax Budgeted		(940,000)	(940,000)
Current Year Marijuana Tax Budgeted		-	-
		<u>15,983,350</u>	<u>19,285,438</u>
FGC Sec. 74-35 Surplus which exceeds 2% of prior year Revenue Cap		-	-
Total property taxes allowed by tax cap:		<u>\$ 15,983,350</u>	<u>\$ 19,285,438</u>

Mill Levy calculation:

Total net taxable value of Land and Improvements		\$ 2,712,215,673	\$ 2,730,605,611
	Calculated mill levy	2017 5.893	2018 7.063
Amount for voter approved services	0.256	\$ 695,380	\$ 695,380
Judgements and Claims Insurance	0.718	\$ 1,945,728	\$ 4,982,048
4.9 mills allowed by Charter	4.900	13,289,857	13,379,967
Property tax	5.874	\$ 15,930,965	\$ 19,057,396
Other Taxes that can be levied	0.007	\$ 52,385	\$ 228,042

2018 Mill Levy Break Down	
Allowed by Charter	4.900
Additional voter approved services	0.255
Judgments	1.825
	6.979
Other taxes that can be levied	0.084
Calculated mill levy	7.063

*** 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:	\$26,059,059	
Prior Year mill rate:	5.874	
This increase is included in the total taxable land value, not f.2-f.6	153,071	0.056

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	0.256
f.4 Taxes for new judgments & claims mitigation insurance:	4,982,048	1.824
f.5 Special appropriations necessary on an emergency basis:	0	
f.6 Any taxes approved by the voters: (marijuana already included above)	5,830,499	2.079
	<u>5,830,499</u>	<u>2.079</u>

U:\Finance Committee\2018\6-5-18\2018 ACTUAL mill levy.xlsx\Mill Levy 2018 BUDGET