

Introduced by: Mayor Jerry Cleworth
Finance Committee: June 5, 2012
Date: June 11, 2012

RESOLUTION NO. 4528

**A RESOLUTION FIXING THE RATE OF TAX LEVY FOR
MUNICIPAL PURPOSES FOR THE 2012 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 **\$2,452,798,320**.

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

Section 1. That the rate of levy on the net assessed value of taxable real property is hereby fixed at 5.734 mills for municipal purposes within the City of Fairbanks. The 5.734 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):	0.284 mills
Claims & Judgments:	0.550 mills

Section 2. That taxes levied hereby are due, delinquent and subject to penalties and interest as provided by FGC Chapter 74, Article II, City of Fairbanks, Alaska.

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 2012.

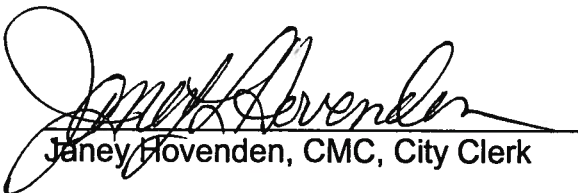


Jerry Cleworth,
CITY MAYOR

AYES: PASSED and APPROVED on the Consent Agenda
NAYS:
ABSENT
APPROVED:

ATTEST:

APPROVED AS TO FORM



Janey Hovenden, CMC, City Clerk



Paul J. Ewers, City Attorney

for

City of Fairbanks
Property Tax Computation for Mill Levy

PREPARED 05/31/2012

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

	2011	2012
A Total Amount of City Tax Levied in Prior Year	\$ 18,623,562	\$ 19,081,536
B Equals the amount of the actual payment of principal and interest on bonds made in prior year	692,880	695,380
Amount levied for judgments in prior year	1,493,193	1,579,127
(A-B)	16,437,489	16,807,029
D The percentage change in the CPI-U for Anchorage, AK during prior year multiplied by the net taxes levied in prior year.	1.80% 3.20%	295,875 537,825
F The total amount of all exclusions under City of Fairbanks Charter	2,743,171	2,419,599
G Total taxes calculated: G=(A-B)+D+F	19,476,535	19,764,453
Current Year Hotel/Motel Tax Budgeted	2,233,308	2,233,308
Current Year Alcohol Tax Budgeted	1,900,000	2,000,000
Current Year Tobacco Tax Budgeted	850,000	920,000
Total other taxes allowed by tax cap:	14,493,227	14,611,145
FGC Sec. 74-35 Surplus which exceeds 2% of prior year Revenue Cap	-	-
	<u>14,493,227</u>	<u>14,611,145</u>

Total net taxable value of Land and Improvements

\$ 2,413,004,325 \$ 2,452,798,320

Calculated mill levy

2011	2012
6.006	5.957

Amount for voter approved services, Judgments and Claims Insurance	0.943	\$ 2,274,507	\$ 2,044,928	0.834
4.9 mills allowed by Charter change	4.900	11,823,721	12,019,417	4.900
2011/2012 Property tax	5.843	\$ 14,098,228	\$ 14,064,345	5.734
Other Taxes that can be levied	0.163	\$394,999	\$546,800	0.223

2012 Mill Levy Break Down	
Allowed by Charter	4.900
Additional voter approved services	0.284
Judgments	0.550
Other taxes that can be levied	0.223
Calculated mill levy	<u>5.957</u>

* 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 from bldg dept:	64,123,097
Year 2011 mill rate:	5.843
	<u>374,671</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	Proposition A - 2011
f.4 Taxes for new judgments & claims mitigation insurance:	1,349,548	
f.5 Special appropriations necessary on an emergency basis:	0	
f.6 Any taxes approved by the voters:	0	
	<u>2,419,599</u>	
	*	

19,476,535	Allowed 2011
<u>394,999</u>	Lost revenue
<u>19,081,536</u>	Levied in prior year

2012 Tax Cap Calculation

Total amount of city tax that can be levied per City Charter Section 6.5

Total amount approved by City Council in 2011		
Property Tax	14,098,228	2010 Resolution No. 4474, As Amended
2011 Bonds	(695,380)	
2011 Judgments	(1,579,127)	2010 actual judgments
Hotel Motel Tax	2,233,308	2011 beginning budget amount (maximum amount applied to tax cap)
Alcohol Tax	1,900,000	2011 beginning budget amount
Tobacco Tax	850,000	2011 beginning budget amount
	<u>16,807,029</u>	Total amount approved by City Council in 2011
2011 inflation rate -	3.20%	
- used in 2011 Levy	<u>537,825</u>	Inflation amount
	<u>16,807,029</u>	Total amount approved by City Council in 2011
	<u>17,344,854</u>	Total amount approved by City Council in 2011 adjusted for 2011 inflation
	<u>2,419,599</u>	F The total amount of all exclusions under City of Fairbanks Charter Section 6.5(B)
	<u>19,764,453</u>	2012 Tax Cap

2012 Tax Calculation

Tax Cap	19,764,453	Calculated amount from above
Hotel Motel Tax	(2,233,308)	2011 budgeted amount*
Alcohol Tax	(2,000,000)	2011 budgeted amount
Tobacco Tax	<u>(920,000)</u>	2011 budgeted amount
	<u>14,611,145</u>	Property tax allowed by tax cap

FGC Sec. 74-35. Tax revenue surpluses.

Any tax surplus arising under Charter section 6.5 shall lapse to the city general fund where the amount of the annually audited surplus does not exceed two percent of total tax revenues. Surplus which exceeds two percent of total tax revenues shall, to the extent of the excess, be carried forward to the next fiscal year and credited to the maximum allowable estimated tax revenues established in accordance with Charter section 6.5.

* Hotel/motel tax is to be fixed at the lower of the actual previous year amount or the 1999 level of \$2,233,308.

Taxable Land Value

2001 Taxable value	\$ 1,166,983,736	
2002 Taxable value	\$ 1,239,597,422	6.22% percent increase from previous year
2003 Taxable value	\$ 1,318,490,000	6.36% percent increase from previous year
2004 Taxable Value	\$ 1,443,372,123	9.47% percent increase from previous year
2005 Taxable Value	\$ 1,594,257,518	10.45% percent increase from previous year
2006 Taxable Value	\$ 1,750,438,337	9.80% percent increase from previous year
2007 Taxable value	\$ 1,907,919,011	9.00% percent increase from previous year
2008 Taxable value	\$ 2,065,162,930	8.24% percent increase from previous year
2009 Taxable value	\$ 2,167,193,061	4.94% percent increase from previous year
2010 Taxable value	\$ 2,420,240,995	11.68% percent increase from previous year
2011 Taxable value	\$ 2,413,004,325	-0.30% percent increase from previous year
2012 Taxable value	\$ 2,452,798,320	1.65% percent increase from previous year