

Introduced by: Mayor Jerry Cleworth
Finance Committee: June 4, 2013
Date: June 10, 2013

RESOLUTION NO. 4579

**A RESOLUTION FIXING THE RATE OF TAX LEVY FOR
MUNICIPAL PURPOSES FOR THE 2013 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 **\$2,496,940,119**.

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 5.716 mills for municipal purposes within the City of Fairbanks. The 5.716 mill rate as provided in Fairbanks Charter Section 6.5 is comprised of three parts:

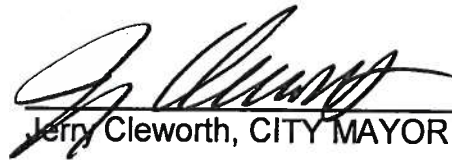
General Fund Expenditures:	4.900 mills
Voter approved services(Prop A):	0.278 mills
Claims & Judgments:	0.538 mills

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.

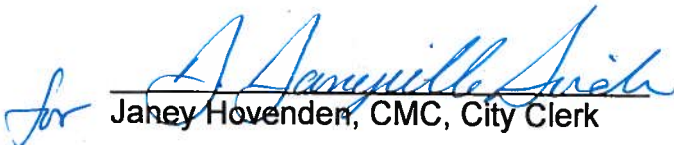
Passed and Approved this 10th day of June 2013.

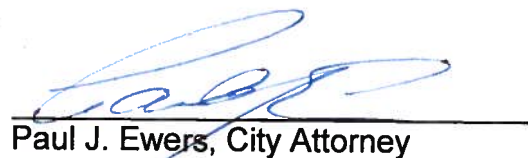

Jerry Cleworth, CITY MAYOR

AYES: PASSED and APPROVED on the Consent Agenda
NAYS:
ABSENT:
APPROVED: June 10, 2013

ATTEST:

APPROVED AS TO FORM


for Janey Hovender, CMC, City Clerk


Paul J. Ewers, City Attorney

City of Fairbanks
Property Tax Computation for Mill Levy

PREPARED 06/03/2013

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

	2012	2013	
A Total Amount of City Tax Levied in Prior Year	\$ 19,081,536	\$ 19,217,653	
B Equals the amount of the actual payment of principal and interest on bonds made in prior year	(695,380)	-	
Amount levied for judgments in prior year	(1,579,127)	(1,349,548)	
Amount levied for additional voter approved taxes in prior year	-	(695,380)	
(A-B)	16,807,029	17,172,725	
D The percentage change in the CPI-U for Anchorage, AK during prior year multiplied by the net taxes levied in prior year.	3.20% 2.20%		
	537,825	377,800	
F The total amount of all exclusions under City of Fairbanks Charter			
	2,419,599	2,518,378	
G Total taxes calculated: G=(A-B)+D+F	19,764,453	20,068,903	
Current Year Hotel/Motel Tax Budgeted	(2,233,308)	(2,233,308)	
Current Year Alcohol Tax Budgeted	(2,000,000)	(2,050,000)	
Current Year Tobacco Tax Budgeted	(920,000)	(940,000)	
Total other taxes allowed by tax cap:	14,611,145	14,845,595	
FGC Sec. 74-35 Surplus which exceeds 2% of prior year Revenue Cap	-	-	
	<u>14,611,145</u>	<u>14,845,595</u>	
Total net taxable value of Land and Improvements	\$ 2,452,798,320	\$ 2,496,940,119	
	2012	2013	
Calculated mill levy	5.957	5.946	
Amount for voter approved services, Judgements and Claims Insurance	0.834	\$ 2,044,928	\$ 2,038,628
4.9 mills allowed by Charter	4.900	12,019,417	12,235,007
2012/2013 Property tax	5.734	\$ 14,064,345	\$ 14,273,635
Other Taxes that can be levied	0.223	\$546,800	\$571,960

2013 Mill Levy Break Down	
Allowed by Charter	4.900
Additional voter approved services	0.278
Judgments	0.538
Other taxes that can be levied	0.230
Calculated mill levy	5.946

* 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:	83,667,628	19,764,453	Allowed 2012
Year 2012 mill rate:	5.734	(546,800)	Not Levied
	479,750	<u>19,217,653</u>	Levied in prior year

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:	1,343,248
f.5 Special appropriations necessary on an emergency basis:	0
f.6 Any taxes approved by the voters:	0
	<u>2,518,378</u> *

Proposition A - 2011

2013 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 2012		
Property Tax	14,064,345	2012 Resolution No. 4528
2012 Bonds	(695,380)	
2012 Judgments	(1,349,548)	2011 actual judgments
Hotel Motel Tax	2,233,308	2012 beginning budget amount (maximum amount applied to tax cap)
Alcohol Tax	2,000,000	2012 beginning budget amount
Tobacco Tax	920,000	2012 beginning budget amount
	<u>17,172,725</u>	Total amount approved by City Council in 2012
2012 Inflation rate -	2.20%	
- used in 2013 Levy	377,800	Inflation amount
	<u>17,172,725</u>	Total amount approved by City Council in 2012
	17,550,525	Total amount approved by City Council in 2011 adjusted for 2011 inflation
	<u>2,518,378</u>	F The total amount of all exclusions under City of Fairbanks Charter Section 6.5(B)
	<u><u>20,068,903</u></u>	2013 Tax Cap

2013 Tax Calculation

Tax Cap	\$ 20,068,903	Calculated amount from above
Hotel Motel Tax	(2,233,308)	2013 budgeted amount*
Alcohol Tax	(2,050,000)	2013 budgeted amount
Tobacco Tax	(940,000)	2013 budgeted amount
	<u>\$ 14,845,595</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
2013 Taxable value	\$ 2,496,940,119	1.80% percent Increase from previous year