

Introduced by: Mayor Eberhart  
Finance Committee: June 3, 2014  
Date: June 9, 2014

**RESOLUTION NO. 4632**

**A RESOLUTION FIXING THE RATE OF TAX LEVY FOR  
MUNICIPAL PURPOSES FOR THE 2014 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 **\$2,574,554,098**.

**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 5.549 mills for municipal purposes within the City of Fairbanks. The 5.549 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):	.270 mills
Claims & Judgments:	.379 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 9th day of June 2014.**



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John Eberhart, MAYOR

AYES: PASSED and APPROVED on the consent Agenda  
NAYS: None  
ABSENT: None  
APPROVED: June 9, 2014

ATTEST:

APPROVED AS TO FORM



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Janey Hovenden, MMC, City Clerk



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Paul J. Ewers, City Attorney

City of Fairbanks  
Property Tax Computation for Mill Levy

PREPARED 06/03/2014

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

	2013	2014	
A Total Amount of City Tax Levied in Prior Year	\$ 19,217,853	\$ 19,488,943	
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	(1,349,548)	(1,343,248)	
Amount levied for additional voter approved taxes in prior year	(695,380)	(695,380)	
(A-B)	17,172,725	17,458,315	
D The percentage change in the CPI-U for Anchorage, AK during prior year multiplied by the net taxes levied in prior year.	2.20% 3.10%		377,800 541,208
F The total amount of all exclusions under City of Fairbanks Charter	2,518,378	1,969,493	
G Total taxes calculated: G=(A-B)+D+F	20,068,803	19,969,016	
Current Year Hotel/Motel Tax Budgeted	(2,233,308)	(2,233,308)	
Current Year Alcohol Tax Budgeted	(2,050,000)	(2,163,000)	
Current Year Tobacco Tax Budgeted	(840,000)	(830,000)	
Total other taxes allowed by tax cap:	14,845,695	14,842,708	
FGC Sec. 74-36 Surplus which exceeds 2% of prior year Revenue Cap	-	-	
	14,845,695	14,842,708	
Total net taxable value of Land and Improvements	\$ 2,496,940,119	\$ 2,574,554,098	
	2013	2014	
Calculated mill levy	5.946	5.687	
Amount for voter approved services, Judgements and Claims Insurance	0.816	\$ 2,038,628	\$ 1,670,697 0.649
4.9 mills allowed by Charter	4.900	\$ 12,235,007	\$ 12,815,315 4.900
2013/2014 Property tax	6.716	\$ 14,273,635	\$ 14,285,912 5.549
Other Taxes that can be levied	0.230	\$ 571,960	\$ 356,796 0.138

2014 Mill Levy Break Down	
Allowed by Charter	4.900
Additional voter approved services	0.270
Judgments	0.379
Other taxes that can be levied	5.549
Calculated mill levy	0.138
	5.687

\* 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:	52,291,037
Year 2013 mill rate:	5.716
	298,896

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:	975,217	
f.5 Special appropriations necessary on an emergency basis:	0	
f.6 Any taxes approved by the voters:	0	
	1,969,493 *	

**2014 Tax Cap Calculation**

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

<b>Total amount approved by City Council in 2013</b>		
Property Tax	14,273,635	2013 Resolution No. 4579
2013 Bonds	(695,380)	Prop A 2011
2013 Judgments	(1,343,248)	2012 actual judgments
Hotel Motel Tax	2,233,308	2013 budget amount (maximum amount applied to tax cap)
Alcohol Tax	2,050,000	2013 budget amount
Tobacco Tax	940,000	2013 budget amount
	<u>17,458,315</u>	<b>Total amount approved by City Council in 2013 *</b>
2013 inflation rate -	3.10%	
- used in 2014 Levy	541,208	Inflation amount
	<u>17,458,315</u>	<b>Total amount approved by City Council in 2013 *</b>
	<u>17,999,523</u>	Total amount approved by City Council in 2013 adjusted for 2014 inflation
	<u>1,969,493</u>	F The total amount of all exclusions under City of Fairbanks Charter Section 6.5(B)
	<u>19,969,016</u>	<b>2014 Tax Cap</b>

**2014 Tax Calculation**

Tax Cap	\$ 19,969,016	Calculated amount from above
Hotel Motel Tax	(2,233,308)	2013 budgeted amount*
Alcohol Tax	(2,163,000)	2013 budgeted amount
Tobacco Tax	(930,000)	2013 budgeted amount
	<u>\$ 14,642,708</u>	<b>Property tax allowed by tax cap</b>

**FGC Sec. 74-36. 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	\$ 72,613,686
2003 Taxable value	\$ 1,318,490,000	6.36% percent increase from previous year	\$ 78,892,578
2004 Taxable Value	\$ 1,443,372,123	9.47% percent increase from previous year	\$ 124,882,123
2005 Taxable Value	\$ 1,594,257,518	10.45% percent increase from previous year	\$ 150,885,395
2006 Taxable Value	\$ 1,750,438,337	9.80% percent increase from previous year	\$ 156,180,819
2007 Taxable value	\$ 1,907,919,011	9.00% percent increase from previous year	\$ 157,480,674
2008 Taxable value	\$ 2,065,162,930	8.24% percent increase from previous year	\$ 157,243,919
2009 Taxable value	\$ 2,167,193,061	4.94% percent increase from previous year	\$ 102,030,131
2010 Taxable value	\$ 2,420,240,995	11.68% percent increase from previous year	\$ 253,047,934
2011 Taxable value	\$ 2,413,004,325	-0.30% percent increase from previous year	\$ (7,236,670)
2012 Taxable value	\$ 2,452,798,320	1.65% percent increase from previous year	\$ 39,793,995
2013 Taxable value	\$ 2,496,940,119	1.80% percent increase from previous year	\$ 44,141,799
2014 Taxable value	\$ 2,574,554,098	3.11% percent increase from previous year	\$ 77,613,979