

Alaska Taxable 2013



Municipal Taxation - Rates and Policies Full Value Determination Population and G.O. Bonded Debt

January 2014

Sean Parnell, Governor
State of Alaska



Volume LIII

Susan Bell, Commissioner
Department of Commerce, Community,
and Economic Development
www.commerce.alaska.gov

Part 3 - Property Taxation

North Slope Borough

EXPLANATION OF MILLAGE RATES:

AS 29.45.090(a) restricts the mill rate for the municipal operating budget to a maximum of 3% or 30 mills; there is no limit on taxes to pay bonds.

The 30 mill limit on operating revenues is levied against an assessed value not to exceed that produced by the following formula:

Average Per-Capita Full Value X 225% X Municipal Population, for FY14:

\$140,307 X 225% X 18,436* = \$5,820,074,667 (*assessed value* limit for operating budget)

\$5,820,074,667 X 30 mills = \$174,602,240 (FY14 statutory *tax* limit for operating budget)

Actual FY14 projected operating budget: \$174,602,240

$\frac{\$174,602,240}{\$5,820,074,667} = 30 \text{ mills (operating budget rate at the 30 mill } \mathbf{tax} \text{ limit)}$

DEVELOPMENT OF ACTUAL OVERALL RATE: (Based on full oil and gas values)

FY14 projected budget for debt service (payment of bonds): \$181,303,068

Actual Assessed Value: 19,238,124,752

$\frac{\$181,303,068}{\$19,238,124,752} = 9.42 \text{ mills (levy to satisfy debt service)}$

$\frac{\$174,602,240}{\$19,238,124,752} = 9.08 \text{ mills (levy to satisfy operating budget)}$

Mill Rate = 9.42 + 9.08 = 18.5 mills (actual overall rate)

<p>Mill Rate Calculation Based on the Reduced Values Derived from 225% Formula</p>

<p>Debt service— $\frac{\\$181,303,068}{\\$5,820,074,667} = 31.15 \text{ mills}$</p>

<p>Operating Budget— $\frac{\\$174,602,240}{\\$5,820,074,667} = 30.00 \text{ mills}$</p>

<p>Total Mills based upon 225% formula values -- 61.15 mills</p>

* The population used here is different from the population used in other areas of this publication due to the fact that the North Slope Borough is allowed to use a larger portion of the workforce in Prudhoe Bay to count in the tax cap formula. The revenue sharing calculation uses a smaller population count.

Part 3 - Property Taxation

City of Valdez

EXPLANATION OF MILLAGE RATES:

AS 29.45.090(a) restricts the mill rate for the municipal operating budget to a maximum of 3% or 30 mills; there is no limit on taxes to pay bonds.

The 30 mill limit on operating revenues is levied against an assessed value not to exceed that produced by the following formula:

Average Per-Capita Full Value X 225% X Municipal Population, for TY13:

$$\$140,307 \quad X \quad 225\% \quad X \quad 4,144 \quad = \quad \$1,308,222,468 \quad (\text{assessed value limit for operating budget})$$

$$\$1,308,222,468 \quad X \quad 30 \text{ mills} \quad = \quad \$39,246,674 \quad (\text{TY13 statutory tax limit for operating budget})$$

$$\text{Actual TY13 Operating Budget:} \quad \$39,246,674$$

$$\frac{\$39,246,674}{\$1,308,222,468} = 30.00 \text{ mills (effective operating mill rate)}$$

DEVELOPMENT OF ACTUAL OVERALL RATE:

(Based on full oil and gas values)

$$\text{TY13 projected budget for debt service (payment of bonds):} \quad \$19,488,356$$

$$\text{Actual Assessed Value:} \quad \$2,936,751,523$$

$$\frac{\$19,488,356}{\$2,936,751,523} = 6.64 \text{ mills (levy to satisfy debt service)}$$

$$\frac{\$39,246,674}{\$2,936,751,523} = 13.36 \text{ mills (levy to satisfy operating budget)}$$

$$\text{Mill Rate} = 6.64 + 13.36 = 20.0 \text{ mills (actual overall rate)}$$

Mill Rate Calculation Based on the Reduced Values Derived from 225% Formula

$$\text{Debt Service—} \\ \frac{\$19,488,356}{\$1,308,222,468} = 14.98 \text{ mills}$$

$$\text{Operating Budget—} \\ \frac{\$39,246,674}{\$1,308,222,468} = 30.00 \text{ mills}$$

Total Mills based upon 225% formula values -- 44.9 mills

* The mill rate calculated here may be somewhat different than the one shown on the previous page due to the differences in actual assessed values at the time of this calculation and the city calculation.