

**HB**

**379**

<TARGET><BILL>HB 379</BILL><SUBJECT>HB  
379</SUBJECT><COMM>SFIN28</COMM></TARGET>

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/14

FURTHER:

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

Finance Committee considered CS FOR HOUSE BILL NO. 379(FIN)

## HB 379-OIL & GAS PROPERTY TAX

"An Act relating to the limitation on the value of property taxable by a municipality; and providing for an effective date."

and recommends:

- [ ] be replaced with SCS \_\_\_\_\_ ( \_\_\_\_\_ ) [ ] Same Title [ ] Technical Title Change  
[ ] New Title/SCR No. \_\_\_\_\_
- [ ] adopt previous SCS \_\_\_\_\_ ( \_\_\_\_\_ ) [ ] Same Title [ ] Technical Title Change  
[ ] New Title/SCR No. \_\_\_\_\_
- [ ] attached amendment(s)
- [ ] adopt \_\_\_\_\_ Letter of Intent
- [ ] further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
REV		✓		2

[ ] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	Duckert	✓			
Anna Fairclough	FAIRCLOUGH	✓			
<i>[Signature]</i>	Bishop	✓			
<i>[Signature]</i>	Hoffman	✓			
<i>[Signature]</i>	Gerson	✓			
CO-CHAIR: <i>[Signature]</i>	Kelle				
CO-CHAIR: <i>[Signature]</i>	Meyer	✓			

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSHB 379(FIN)  
Fiscal Note Number: 2  
(H) Publish Date: 4/9/14

Identifier: HB379CS(FIN)-DOR-TAX-04-08-14  
Title: OIL & GAS PROPERTY TAX  
Sponsor: COMMUNITY & REGIONAL AFFAIRS  
Requester: (H) FIN

Department: Department of Revenue  
Appropriation: Taxation and Treasury  
Allocation: Tax Division  
OMB Component Number: 2476

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>	<b>***</b>		<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version:

To reflect the changes discussed in HFIN.

Prepared By: Matt Fonder, Director  
Division: Tax  
Approved By: Angela M. Rodell, Commissioner  
Agency: Department of Revenue

Phone: (907)269-6628  
Date: 04/08/2014 05:00 PM  
Date: 04/08/14

## FISCAL NOTE ANALYSIS #2

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 379(FIN)

### Analysis

#### Bill Language:

This bill would amend certain DOR and municipal statutes relating to property taxes, and would raise one of the statutory variables that is part of the tax cap calculation (average per capita assessed full and true value of property in the state) from 225% to 375% in certain instances.

For background, the state levies 20 mills (2%) on the value of oil and gas properties located in Alaska. Municipalities and boroughs also levy a tax on the same oil and gas properties. The property owners pay the municipalities and boroughs, and take that as a credit against their state tax obligation. Currently, if a municipality levies 18.5 mills on property in its jurisdiction, the state would collect 1.5 mills on the oil and gas property located in that municipality.

Municipalities issue and apply a single mill rate to property tax values to levy and collect property tax revenues. That single mill rate (or property tax rate) is derived by:

- 1) calculating the amount of mills necessary to collect revenue to pay debt service (debt mills or debt funds) as provided by AS 29.45.100; and
- 2) calculating the amount of mills necessary to collect revenue for the municipalities operating budget (operating mills or operating funds) as provided by AS 29.45.080-090 and AS 43.56.010(c).

The two mill rates, debt mills and operating mills, are then added together to derive a single overall mill rate that is ultimately issued and applied to the property tax values. The current municipal property tax cap falls under AS 29.45.080-090, and only applies to operating mills and levies. This bill also only applies to the municipal property tax cap on operating mills and levies under AS 29.45.080-090 and AS 43.56.010(c). Debt mills and levies by municipalities as provided by AS 29.45.100 are currently not limited by statute.

#### Revenues:

The department believes that the current language in this bill may have a negative effect on property tax revenues collected by the state. According to the Department's analysis, holding everything constant (mill rates, debt service payments, etc.), should a municipality want to collect more operating funds than were collected in FY-14 (from TY-13), they would need to increase their mill rates, thereby reducing state property tax revenues. The department believes that this proposal may reduce state revenues by \$10 million or more each year. In the event a municipality lowered their mill rate, it is possible the state would see an increase in oil and gas property tax revenue.

#### Expenditures:

The department can implement the provisions of this bill with existing resources.

#### Regulations:

The department does not expect that it will need to draft regulations if this legislation passes.

# ALASKA STATE LEGISLATURE

Rep. Neal Foster  
Rep. Bob Herron  
Rep. Kurt Olson  
Rep. Lora Reinbold  
Rep. Sam Kito III



State Capitol, Barnes 124  
Juneau, AK 99801-1182  
Co-Chairs  
**Rep. Gabrielle LeDoux**  
(907) 465-4998 FAX 465-4419  
**Rep. Benjamin Nageak**  
(907) 465-3018 FAX 465-2827

## COMMUNITY & REGIONAL AFFAIRS COMMITTEE

### Sponsor Statement HB 379

"An Act relating to the limitation on the value of property taxable by a municipality; and providing for an effective date."

The North Slope Borough is seeking a legislative change that will provide more efficient flexibility in managing its own budget while providing a sliding scale for municipalities to lower taxes on oil & gas properties.

Current law (AS 29.45.090) restricts the mill rate for the municipal operating budget for communities with oil & gas properties subject to property taxation under AS 43.56. The formula is based on assessed values, population, and a multiplier of 225%. Each municipality with oil & gas properties calculates this formula to establish their operating budget revenue picture. Following the calculation of this amount, the municipality then calculates the amount of revenue necessary to meet their annual bond debt payments.

For the North Slope Borough for example, property taxes are levied at 18.5 mills. However, the restriction under AS 29.45 only permits 9.08 mills of the levy to be applied toward the borough's operating budget. The remaining 9.42 mills of levy are applied to debt service on bonds for capital projects.

Over the last 34 years, the North Slope Borough has used a capital program funded primarily with general obligation bonds in order to develop public infrastructure (water, sewer, schools, roads, health facilities, etc.). That infrastructure requires an ongoing maintenance and operations program in order to remain viable and useful. However, the Borough faces an increasing challenge of addressing these maintenance issues in the context of the restriction in AS 29.45.090 that limits how much revenue can apply towards the operating budget.

Any community that taxes above 19.0 mills would continue to have the same limitation formula currently in place with a multiplier of 225%. A municipality that levies a tax between 18.0 and 19.0 mills would have a multiplier of 300%, and the multiplier would increase to 375% if taxes went below 18.0 mills. In other words, a municipality would gain more flexibility in the use of oil & gas property taxes by lowering taxes.

This approach is meant to help protect the State of Alaska's interest while giving municipalities with oil & gas properties a reasonable opportunity to provide for operations & maintenance without raising taxes.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

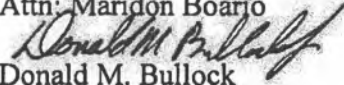
State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

April 9, 2014

**SUBJECT:** Sectional summary for CSHB 379(FIN)  
(Work Order No. 28-LS1633\U)

**TO:** Representative Benjamin Nageak  
Attn: Maridon Boarjo

**FROM:**   
Donald M. Bullock  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** Amends AS 29.45.080(c) by deleting the fixed 225 percent factor in the formula used to determine the maximum value of property taxable under AS 43.56 that may be taxed by a municipality. Provides that a percentage determined under new subsection (f) in sec. 2 of the bill will be used in the formula.

**Section 2.** Amends AS 29.45.080(d) to set the dates by which a municipality is required to notify the Department of Revenue of the method of taxation the municipality will use, the total value of the municipality's locally assessed property tax base, and the amount of principal and interest the municipality intends to apply in its mill rate calculation.

**Section 3.** Adds new subsection (f) to AS 29.45.080 to provide the percentage to be used in AS 29.45.080(c) based on the total tax rate established by the municipality.

**Section 4.** Amends AS 29.45.090(b) by deleting the fixed 225 percent factor in the formula used to determine the maximum value of property taxable by a municipality or combination of municipalities occupying the same geographical area, in whole or in part. Provides that a percentage determined under AS 29.45.090(e) in sec. 5 of the bill will be used in the formula.

**Section 5.** Amends AS 29.45.090(c) by deleting the fixed 225 percent factor in the formula used to determine the maximum value of property that may be taxed if two or more municipalities occupy the same geographical area, in whole or in part, and attempt to levy a property tax. Provides that the percentage determined under AS 29.45.090(e) in sec. 5 of the bill will be used in the formula.

Representative Benjamin Nageak  
April 9, 2014  
Page 2

**Section 6.** Adds new subsection (e) to AS 29.45.090 to provide the percentage to be used in AS 29.45.090(b) and (c) based on the total tax rate established by a municipality.

**Section 7.** Amends AS 43.56.010(c) by deleting the 225 percent factor and replacing the percentage factor with the percentage determined in AS 29.45.080(f) in sec. 2 of the bill.

**Section 8.** Adds a new section in uncodified law that makes secs. 1 - 7 apply to tax years beginning after December 31, 2014.

**Section 9.** Provides an immediate effective date.

DMB:ray  
14-167.ray

# ALASKA STATE LEGISLATURE

Rep. Neal Foster  
Rep. Bob Herron  
Rep. Kurt Olson  
Rep. Lora Reinbold  
Rep. Sam Kito III



State Capitol, Barnes 124  
Juneau, AK 99801-1182  
Co-Chairs  
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**Rep. Benjamin Nageak**  
(907) 465-3018 FAX 465-2827

## COMMUNITY & REGIONAL AFFAIRS COMMITTEE

### Explanation of Changes to CSHB 379 (FIN)

"An Act relating to the limitation on the value of property taxable by a municipality;  
and providing for an effective date."

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Section 2, page 1, line 12 – Insert (d) **Each** [BY FEBRUARY 1 OF EACH] assessment year, a taxing municipality shall inform the Department of Revenue, **by**

(1) **February 1**, which method of taxation the municipality will use;

And

(2) **May 1**, the

(A) **total value of the municipality's locally assessed property tax base; and**

(B) **payment amount for the principal of and interest on bonds that the municipality intends to apply in its mill rate calculation for the fiscal year corresponding to the tax year for which the assessment method selected by the municipality will apply.**

Language recommended by the Department of Revenue to set the dates by which a municipality is required to notify the department of the method of taxation the municipality will use, the total value of the municipality's locally assessed property tax base, and the amount of principal and interest the municipality intends to apply in its mill rate calculation.

# North Slope Borough

OFFICE OF THE MAYOR



P.O. Box 69  
Barrow, Alaska 99723  
Phone: 907 852-2611 or 0200  
Fax: 907 852-0337 or 2595  
Email: [charlotte.brower@north-slope.org](mailto:charlotte.brower@north-slope.org)

*Charlotte E. Brower, Mayor*

The Honorable Donny Olson  
Alaska State Senate  
State Capital Room 508  
Juneau, Alaska 99801

Dear Senator Olson:

This letter is to express support for HB 379, an Act relating to the limitation on the value of property taxable by a municipality. This Act is of tremendous importance to the people of the North Slope Borough as it would reward the Borough for its fiscal conservatism and provide increased flexibility in its budgeting.

In essence, the North Slope Borough is seeking a legislative change that would allow it to use less money for debt service and more for operations. In order to avoid creating any incentive for increasing municipal property taxes, the legislation is written to provide a sliding scale for municipalities to lower taxes.

Any community that taxes above 19.0 mils would continue to have the same limitation formula currently in place with a multiplier of 225%. A municipality that levies a tax between 18.0 and 19.0 mils would have a multiplier of 300%, and the multiplier would increase to 375% if taxes went below 18.0 mils. In other words, a municipality would gain more flexibility in the use of oil and gas property taxes by lowering taxes.

This approach is meant to benefit the State of Alaska while giving municipalities with oil and gas properties a reasonable opportunity to provide for operations and maintenance without raising taxes. Because the Borough is currently taxing at an 18.50 mil rate, it could expect to see a large increase in the amount of funds it could use for operations if this Act should pass.

Your support is critical to the success of this legislation. And the people of the North Slope stand to benefit greatly should this Act be enacted into law. Thank you for this opportunity to offer support for this legislation.

Respectfully submitted,

*Charlotte E. Brower*

Charlotte Brower

Mayor of the North Slope Borough

cc. Senator Charlie Huggins  
Senator Kevin Meyer  
Senator Pete Kelly  
Represent Ben Nageak

Scott Brandt-Erichsen  
P.O. Box 23448  
Ketchikan, Alaska 99901

April 15, 2014

Dear Senate Community and Regional Affairs Committee members,

My remarks in this letter are my own as a private citizen and should not be attributed to any client I perform work for, or any employer.

I want to share with you some comments on HB 379 and SB 219. There are two separate aspects of these bills that I want to bring to your attention. Additionally, I have concerns about the misapplication of the current statute depriving the State of significant revenues. While I do not generally oppose these bills, I think that there are some additional changes that may better serve the State's interests, and I also see an opportunity to correct an ongoing issue which I think causes confusion.

**A. AS 29.45.080(b) and AS 29.45.090(b)(1) should be repealed.**

First, with respect to the issue the bill does not address, the dollar limitation on municipal taxes is outdated and should be deleted. There are 3 types of limitations on municipal taxes at play in the sections of Statute impacted by this bill. First, there is a general limitation of 30 mills<sup>1</sup> for property taxes for anything other than debt service. See AS 29.45.090(a). This limit may be exceeded only if necessary to pay bonds. See AS 29.45.100. The second limit is a maximum tax revenue limit from all sources of \$1,500 per year per person. See AS 29.45.080(b) and see AS 29.45.090(b)(1). If the limit is exceeded where a city and a borough's boundaries overlap, the Commissioner of DCCED is supposed to apportion the revenues. See AS 29.45.090(c) The third limit is a maximum on the value of property that can be taxed of 225% of the average per capita assessed tax value statewide multiplied by the number of residents of the taxing jurisdiction. See AS 29.45.080(c) and AS 29.45.090(b)(2). These limits were set at a time when no municipality had revenues exceeding \$1,500 per capita. The two limits served to cap the total spending of municipal governments as well as limit the disparity between various municipal governments.

As you can see from pages 24 and 25 of the 2013 publication of Alaska Taxable (copies attached), there are now more than 30 jurisdictions with per capita revenues in excess of the \$1,500 per person limit. The only reason this has not been a problem is that the DCCED has interpreted the limits in AS 29.45.080(b), AS 29.45.080(c) and AS 29.45.090(b)(1) and (2) as disjunctive, meaning that a municipality need only meet one of the two limits, not both. The practical effect of this is that, as the

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<sup>1</sup> Municipalities are also restricted to a maximum of 20 mills on oil and gas property assessed by the State under AS 43.56. The State levies a property tax of 20 mills on this property, and there is a credit against the State levy for any taxes imposed by municipalities, up to the 20 mill limit. As a result, every dollar a municipality receives in oil and gas property tax is a dollar deducted from the State's revenues. Thus, the taxpayers (oil companies) have no incentive to dispute the mill rates, even if they are unevenly applied, but have every incentive to dispute valuations.

assessed value and average per capita assessed value has risen, the \$1,500 limit has no meaning due to this interpretation. The 2013 average statewide per capita assessed value of \$146,734<sup>2</sup> yields a 225% value of \$330,151. A mere 4.5 mills on this value would reach the \$1500 limit.

Because the current interpretation by DCCED deprives the \$1500 per capita limit of any meaning, and because the inflation over times has rendered that fixed dollar limit unreasonably low if DCCED were to start enforcing that limit, I ask that the Senate simply remove that limit from AS 29.45.080(b) and AS 29.45.090(b)(1) as part of consideration of this bill.

**B. The State would likely receive more revenues, and municipalities would have more flexibility, if AS 29.45.080(c) and AS 29.45.090(b)(2) were repealed.**

Second, with respect to the changes proposed in HB 379 and SB 219, increasing the 225% on a sliding scale, the advocates have asserted that this action will allow the North Slope Borough to take the same revenues (18.5 mills for example) and put more of them towards operating expenses and less on bonds. On the one hand, if the North Slope has a reduced demand for new construction or other bondable projects, The fact that their operating budget is currently capped (maximized) by the 225% limit, any reduction in bond expenses results in an increase in revenues to the state. Thus, the State has a financial incentive to keep the limit on operating funds.

The impacts of funds for operating versus capital are illustrated by taking the calculations shown on page 34 of the 2013 Alaska Taxable (attached) and comparing them to the calculation with a rate of 18.5 mills and the 300% limit that would apply under the bill. The formula used by DCCED backs into the mill rate by starting with a maximum revenue calculation. (I will comment on this separately below.) It calculates a 30 mill rate on the maximum tax base (average statewide per capita assessed value<sup>3</sup> x 225% x population<sup>4</sup>). This is multiplied by 30 mills<sup>5</sup> to derive a maximum tax revenue for operating budget purposes.

In the 2013 Alaska Taxable this is \$174,602,240. If you substitute the 300% figure in the formula, the total available for operating budget purposes increases to \$232,902,986.70, (an increase of approximately 33.4%). To maintain a total of 18.5 mills, this would reduce the funds available for debt service to \$117.3 million. If that reduction in debt service payments occurred without the proposed increase operating limit, the State would get \$58 million more in revenues. The fiscal note provided with the bill is grossly inadequate, overlooking the potential gain to the State if this measure is rejected.

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<sup>2</sup> This is the Statewide per capita value listed in Alaska Taxable 2013, page 29 (attached). The figures used in the calculations for the North Slope Borough are from a prior year, and use \$140,307 as the statewide average. Both figures include oil and gas property value.

<sup>3</sup> See Alaska Taxable 2013 at 29, copy attached. This includes oil and gas property assessments.

<sup>4</sup> The population number used is adjusted upwards significantly for part time commuting workers. The actual population of residents used for other purposes is less than half this figure. See Alaska Taxable 2013 page 23 (attached) reporting a North Slope Borough population of 7,725. The inflation further reduces state revenues and increases North Slope Borough revenues.

<sup>5</sup> The cap for non-debt service is 30 mills. The limit for oil and gas property is 20 mills regardless. However, as noted below, this method under-taxes local non-oil and gas property and shifts 2/3 of the local assessed property tax burden to oil and gas property.

**C. The tortured formula applied by DCCED to justify the current rate calculation for the North Slope Borough places a higher burden on oil and gas property than locally assessed property, and eviscerates the 225% limit.**

The other aspect of this derived formula which creates some imbalance is the fact that, through use of the formula, locally assessed property carries a diluted share of the expense. This is seen if you compare the effective revenues and assessed values of the oil and gas property and the locally assessed property. On page 23 of Alaska Taxable, the locally assessed property provides \$2,696,158<sup>6</sup> in revenues, which amounts to an effective mill rate of 6 mills on the \$447,819,562<sup>7</sup> in locally assessed property. At the same time, the \$347,517,281<sup>8</sup> in revenues from the oil and gas property amounts to 18.5 mills on that property.

The mathematical reason is that the formula backing into the maximum mill rate on only part of the property, but then levying on all of the property, reduces the share paid by locally assessed property and shifts it to part of the tax base that lies beyond the maximum limit calculated for the maximum operating budget tax base.

The formula used as reflected on page 34 of Alaska Taxable 2013 actually subverts the equal taxation directive of AS 29.45.090(a) and AS 43.56.010(b) by cutting the effective tax rate on locally assessed property to approximately 1/3 of the rate applied to oil and gas property in the North Slope. The error can be seen if you look closely at the formula and apply common sense and the plain intent of the 225% limit. Where the total maximum tax that can be levied for operating budget expenditures is calculated the formula on page 34 uses 30 mills. However, the 30 mill limit is only applicable to the locally assessed property. Oil and gas property is subject to the 20 mill limit in AS 43.56.010. Thus, the total tax base available under the 225% formula should be  $(\$447,819,562^9 \times 30 \text{ mills}) + ((\$5,820,074,667^{10} - \$447,819,562)^{11} \times 20 \text{ mills})$ . The resulting maximum operating budget is \$120,879,688.87, the approximately \$54 million difference between this figure and the \$174,602,240 calculated on page 34 of Alaska Taxable 2103 as the maximum operating budget for the North Slope is revenue that the State should be receiving, but is not.

The clear intent of the 225% cap was to limit the disparity between municipalities to 225% of the average per capita tax base. However, the formula used deprives this limit of meaning. Due to the manipulations tacitly approved by DCCED as reflected on page 34 of Alaska Taxable 2013 (copy attached), rather than being limited to the 225% tax base of \$5,820,074,667, which is the 225% limit, the conversion of this to a maximum revenue and then backing into a mill rate as if all of the tax base

<sup>6</sup> See Alaska Taxable 2013 at 23, copy attached.

<sup>7</sup> See Alaska Taxable 2013 at 48, copy attached. ( $\$2,696,158$  in locally assessed property tax revenues divided by  $\$447,819,562$  in locally assessed property value = 6.02 mills). Note the locally assessed value of  $\$447,819,562$  is 81.9% of the State determined full and true value of non-oil and gas property in the North Slope Borough.

<sup>8</sup> See Alaska Taxable 2013 at 23, copy attached.

<sup>9</sup> Locally Assessed Property value according to Alaska Taxable 2013, page 48.

<sup>10</sup> Derived maximum assessed value for operating budget (average statewide assessed value x 225% x population).

<sup>11</sup> The maximum portion of oil and gas property value which could be included is the total less the locally assessed property, and is subject to a 20 mill cap.

were used to produce this revenue has the impact of overburdening the oil and gas property (taking revenue from the State) and under-burdening locally assessed property. It also allows the mill levy to be extracted from the entire \$ 18,784,717,890 in oil and gas property, rather than only that portion which totals up to 225%. By extending to all of the oil and gas property, the 225% is rendered virtually meaningless as the tax is levied on all the property, not just that amount which equates to 225% of the average per capita assessed value multiplied by the population. Further, this process deprives the State of revenue. If it were properly applied the State would have more than \$54 million per year more revenues.

The under-burdening of locally assessed property exacerbates the problem because, unlike in other municipalities, there is little actual cost to the local resident for approving more bonds. If there were no 225% limit, and the locally assessed property were taxed at the same rate and percentage of value as oil and gas property, then there would be a significant incentive for the local taxpayers to control the spending and a resulting increase in the property tax available to the State. If a voting resident were paying 20 mills on their property for operating budget expenses, and was asked to approve another bond, they would be less inclined to do so.

While my preference is that the 225% limit be administered as it was intended, removal of the 225% limit would be preferable to this bill. If all property was taxed at the same rate, with a maximum of 30 mills for operating and the maximum 20 mills for oil and gas property, whether for operating or debt service, local taxpayer concerns would better regulate the rate, perhaps more than the current formula does, and all the property would be taxed at the same effective rate, as is intended by AS 29.45.090(a) which calls for all property to be taxed at the same ad valorem rate.

Thank you for your consideration.

Sincerely,



Scott A Brandt-Erichsen

Cc: Sen. Bert Stedman

**Part 2 - Municipal Class Tax Types, Rates and Revenues**

**Table 3**  
**2013 Local Property Tax and Oil & Gas Property Tax Revenues**  
 As of January 1, 2013

Municipality	Property Tax Revenues <sup>(1)</sup>	Oil & Gas Property Tax Revenues	Total Property Tax Revenues	Chg. From Previous Year	Population	Municipal Per-Capita Revenue	Per-Capita Revenue City & Boro <sup>(2)</sup>
Municipality of Anchorage	\$501,422,092	\$5,462,885	\$506,884,977	3.44%	298,842	\$1,696	
Bristol Bay Borough	\$3,198,846	\$0	\$3,198,846	11.98%	987	\$3,241	
Cordova	\$1,669,022	\$81,077	\$1,750,099	1.63%	2,316	\$756	
Craig	\$517,969	\$0	\$517,969	0.79%	1,243	\$417	
Dillingham	\$2,136,092	\$0	\$2,136,092	7.27%	2,406	\$888	
Fairbanks, City <sup>(1)</sup>	\$14,155,397	\$106,554	\$14,261,951	1.23%	32,070	\$445	\$1,528
Fairbanks North Star Borough	\$99,635,184	\$9,078,449	\$108,713,633	2.38%	100,343	\$1,083	
Haines Borough	\$2,619,900	\$0	\$2,619,900	-1.01%	2,620	\$1,000	
Homer <sup>(1)</sup>	\$3,062,995	\$0	\$3,062,995	2.04%	3,153	\$594	\$1,597
Houston <sup>(1)</sup>	\$365,585	\$0	\$365,585	-6.19%	2,012	\$182	\$1,359
City & Borough of Juneau	\$32,429,546	\$0	\$32,429,546	0.00%	32,832	\$988	
Kachemak City <sup>(1)</sup>	\$64,531	\$0	\$64,531	-3.75%	467	\$138	\$1,141
Kenai, City <sup>(1)</sup>	\$2,787,661	\$97,584	\$2,885,245	12.76%	7,132	\$405	\$1,407
Kenai Peninsula Borough	\$49,109,890	\$7,800,432	\$56,910,322	5.26%	56,756	\$1,003	
Ketchikan, City <sup>(1)</sup>	\$4,668,844	\$0	\$4,668,844	1.52%	8,291	\$563	\$1,159
Ketchikan Gateway Borough	\$8,306,711	\$0	\$8,306,711	-9.19%	13,938	\$596	
Kodiak, City <sup>(1)</sup>	\$917,599	\$0	\$917,599	19.86%	6,431	\$143	\$1,075
Kodiak Island Borough	\$13,092,152	\$0	\$13,092,152	2.97%	14,041	\$932	
Matanuska-Susitna Borough	\$110,317,769	\$79,573	\$110,397,342	-0.60%	93,801	\$1,177	
Nenana	\$231,539	\$0	\$231,539	-28.20%	428	\$541	
Nome	\$2,653,922	\$0	\$2,653,922	7.74%	3,759	\$706	
North Pole <sup>(1)</sup>	\$954,545	\$0	\$954,545	-0.53%	2,162	\$442	\$1,525
North Slope Borough	\$2,696,158	\$347,517,281	\$350,213,439	6.50%	7,725	\$45,335	
Palmer <sup>(1)</sup>	\$1,304,911	\$0	\$1,304,911	11.50%	6,117	\$213	\$1,390
Petican	\$58,130	\$0	\$58,130	-31.29%	82	\$709	
Petersburg	\$2,857,833	\$0	\$2,857,833	7.71%	3,269	\$874	
Seldovia <sup>(1)</sup>	\$102,410	\$0	\$102,410	-42.60%	242	\$423	\$1,426
Seward <sup>(1)</sup>	\$1,013,580	\$0	\$1,013,580	1.25%	2,754	\$368	\$1,371
City & Borough of Sitka	\$6,092,078	\$0	\$6,092,078	0.38%	9,084	\$671	
Municipality of Skagway	\$1,718,051	\$0	\$1,718,051	-56.26%	961	\$1,788	
Soldotna <sup>(1)</sup>	\$347,121	\$0	\$347,121	-42.38%	4,299	\$81	\$1,083
Unalaska	\$5,103,810	\$0	\$5,103,810	7.31%	4,768	\$1,070	
Valdez	\$4,540,653	\$34,453,891	\$38,994,544	-10.18%	4,144	\$9,410	
Whittier	\$611,143	\$7,819	\$618,962	62.11%	227	\$2,727	
City & Borough of Wrangell	\$1,528,495	\$0	\$1,528,495	5.40%	3,448	\$624	
City & Borough of Yakutat	\$445,565	\$0	\$445,565	0.78%	622	\$716	
<b>Total Property Taxes</b>	<b>\$882,737,729</b>	<b>\$404,685,545</b>	<b>\$1,287,423,274</b>	<b>3.03%</b>	<b>Overall *</b>	<b>\$1,958</b>	<b>Per-capita</b>
<b>Overall Change from Prior Yr</b>	<b>1.75%</b>	<b>5.93%</b>	<b>3.03%</b>		<b>Average **</b>	<b>\$1,391</b>	<b>property taxes</b>

**Total Local Tax Revenues Generated**

Sales Tax Revenues	\$222,500,560	3.14%	Percent Change from Previous Year
Special Tax Revenues	\$101,888,920	9.03%	
Local Property Tax Revenues	\$882,737,729	1.75%	
Oil & Gas Property Tax Revenues	\$404,685,545	5.93%	
<b>Total Local Tax Revenues</b>	<b>\$1,611,812,753</b>	<b>3.40%</b>	

\*Includes North Slope & Valdez  
 \*\*Excludes North Slope & Valdez

The average per-capita values are based upon populations only in municipalities that levy a property tax.

<sup>(1)</sup> Indicates that city is located within a borough that also levies a property tax.

<sup>(2)</sup> This column adds the borough and city per-capita revenues to more accurately reflect the actual per-capita tax that a property owner would pay on property located within a city and a borough, both of which levy a property tax.

<sup>(3)</sup> Property Tax Revenues may include motor vehicle registration and/or flat taxes on airplanes where applicable.

## Part 2 - Municipal Class Tax Types, Rates and Revenues

**Table 3A**  
**2013 Per-Capita Tax Revenues**

This table lists only those municipalities which levy a sales, severance, property or other type of local tax

Municipality	Property Tax (Inc. Oil & Gas)	Sales Tax	Other Taxes	Total Taxes Reported	Population	Per-Capita Revenue	Per-Capita <sup>(2)</sup> Revenue City & Boro
North Slope Borough	\$350,213,439	\$0	\$0	\$350,213,439	7,725	\$45,340	\$45,340
Egegik <sup>(1)</sup>	\$0	\$0	\$1,079,902	\$1,079,902	106	\$10,190	\$12,190
Pilot Point <sup>(1)</sup>	\$0	\$0	\$690,055	\$690,055	68	\$10,150	\$12,150
Valdez	\$38,994,544	\$0	\$390,719	\$39,385,263	4,144	\$9,500	\$9,500
Skagway, Municipality of	\$1,718,051	\$6,383,312	\$124,141	\$8,225,504	961	\$8,500	\$8,500
Saint Paul	\$0	\$435,451	\$2,348,370	\$2,784,021	453	\$6,150	\$6,150
Whittier	\$618,962	\$526,798	\$233,770	\$1,379,530	227	\$6,080	\$6,080
Bristol Bay Borough	\$3,198,846	\$0	\$1,873,163	\$5,072,009	987	\$5,140	\$5,140
Unalaska	\$3,103,810	\$13,106,267	\$4,980,767	\$23,190,844	4,768	\$4,860	\$4,860
Chignik	\$0	\$0	\$241,753	\$241,753	91	\$2,660	\$4,660
False Pass	\$0	\$73,860	\$28,849	\$102,709	39	\$2,630	\$3,900
Dillingham	\$2,136,092	\$2,770,244	\$1,199,812	\$6,106,148	2,406	\$2,540	\$2,540
Juneau, City & Borough of	\$32,429,546	\$43,576,004	\$3,447,885	\$79,453,435	32,832	\$2,420	\$2,420
Cordova	\$1,750,099	\$3,264,551	\$130,867	\$5,145,517	2,316	\$2,220	\$2,220
Yukutat, City & Borough of	\$445,565	\$737,278	\$179,057	\$1,361,901	622	\$2,190	\$2,190
Nome	\$2,653,922	\$3,373,835	\$157,913	\$6,185,670	3,759	\$2,180	\$2,180
Adak	\$0	\$580,437	\$107,959	\$688,397	321	\$2,140	\$2,140
Haines Borough	\$2,619,900	\$2,686,016	\$71,109	\$5,377,025	2,620	\$2,050	\$2,050
Seward <sup>(1)</sup>	\$1,013,580	\$4,191,180	\$380,210	\$5,584,976	2,754	\$2,030	\$3,560
Lake & Peninsula Borough	\$0	\$0	\$3,346,222	\$3,346,222	1,673	\$2,000	\$2,000
Homer <sup>(1)</sup>	\$3,062,995	\$7,031,120	\$0	\$10,094,115	5,153	\$1,960	\$3,490
Craig	\$517,969	\$1,704,780	\$115,149	\$2,337,898	1,243	\$1,880	\$1,880
Anchorage, Municipality of	\$506,884,977	\$0	\$49,737,221	\$556,622,198	298,842	\$1,860	\$1,860
Soldotna <sup>(1)</sup>	\$347,121	\$7,640,536	\$0	\$7,987,657	4,299	\$1,860	\$3,390
Ketchikan, City <sup>(1)</sup>	\$4,668,644	\$10,191,919	\$362,739	\$15,223,302	8,291	\$1,840	\$3,050
Kodiak, City <sup>(1)</sup>	\$917,599	\$10,297,107	\$171,564	\$11,386,270	6,431	\$1,770	\$2,840
North Pole <sup>(1)</sup>	\$954,545	\$2,463,477	\$411,180	\$3,829,203	2,162	\$1,770	\$2,900
Petersburg	\$2,857,833	\$2,822,594	\$40,472	\$5,720,899	3,269	\$1,750	\$1,750
Sitka, City & Borough of	\$6,092,078	\$8,836,452	\$934,629	\$15,863,159	9,084	\$1,750	\$1,750
King Cove <sup>(1)</sup>	\$0	\$1,559,000	\$100,000	\$1,659,000	963	\$1,720	\$2,990
Wrangell, City & Borough of	\$1,528,495	\$2,489,716	\$46,157	\$4,064,368	2,448	\$1,660	\$1,660
Hoonah	\$0	\$1,233,731	\$0	\$1,233,731	777	\$1,590	\$1,590
Kenai Peninsula Borough	\$56,910,322	\$29,647,452	\$0	\$86,557,774	56,756	\$1,530	\$1,530
Akutan	\$0	\$0	\$1,663,209	\$1,663,209	1,106	\$1,500	\$2,770
Denali Borough	\$0	\$0	\$3,800,408	\$3,800,408	1,871	\$1,500	\$1,500
Wasilla <sup>(1)</sup>	\$0	\$12,239,486	\$0	\$12,239,486	8,207	\$1,490	\$2,730
Sand Point	\$0	\$785,267	\$670,849	\$1,456,116	983	\$1,480	\$2,750
Bathel	\$0	\$8,160,801	\$574,491	\$8,735,292	6,113	\$1,430	\$1,430
Kotzebue	\$0	\$4,068,510	\$270,054	\$4,338,564	3,237	\$1,340	\$1,340
Kooni, City <sup>(1)</sup>	\$2,885,245	\$6,618,444	\$0	\$9,503,689	7,132	\$1,330	\$2,860
Atenijans East Borough	\$0	\$0	\$4,121,030	\$4,121,030	3,240	\$1,270	\$1,270
Matanuska-Susitna Borough	\$110,397,342	\$0	\$6,012,080	\$116,409,422	93,801	\$1,240	\$1,240
Ketchikan Gateway Borough	\$8,306,711	\$8,531,175	\$39,880	\$16,877,764	13,938	\$1,210	\$1,210
Pelican	\$58,130	\$37,107	\$1,646	\$96,883	82	\$1,180	\$1,180
Palmer <sup>(1)</sup>	\$1,304,911	\$3,882,203	\$0	\$7,187,114	6,117	\$1,170	\$2,410
Aika	\$0	\$0	\$73,804	\$73,804	64	\$1,150	\$1,150
Fairbanks North Star Borough	\$108,713,633	\$0	\$4,605,138	\$113,318,771	100,343	\$1,130	\$1,130
Kodiak Island Borough	\$13,092,152	\$0	\$1,871,283	\$14,963,435	14,041	\$1,070	\$1,070
Seldovia <sup>(1)</sup>	\$102,410	\$120,570	\$0	\$222,980	242	\$920	\$2,450
Nenana	\$231,539	\$141,477	\$0	\$373,016	428	\$870	\$870
Klawock	\$0	\$649,567	\$10,047	\$659,614	799	\$830	\$830
Thorne Bay	\$0	\$404,822	\$0	\$404,822	508	\$800	\$800
Gustavus	\$0	\$305,145	\$74,253	\$379,378	489	\$780	\$780
Aleknagik	\$0	\$107,059	\$38,588	\$145,648	204	\$710	\$710

<sup>(1)</sup>The revenue numbers listed only represent the revenues collected by the city.

<sup>(2)</sup>This column reflects a per-capita revenue encompassing both city and borough taxes.

### Part 3 - Property Taxation

#### STATEWIDE VALUATION

As of January 1, 2013

Shown below are the statewide total full and true values for taxable property in Alaska. Full values are not shown for the unorganized borough (outside taxing jurisdictions) because that area of Alaska has never been valued, and will not be valued except as jurisdictions are formed and choose to levy property taxes after formation or meet certain criteria. The full and true value will be determined by the Office of the State Assessor for the purpose of calculating state revenue sharing and the local share of educational funding.

Shown below are statewide average per-capita full and true values both including and excluding values for oil and gas production property. Development of the average per-capita full and true value is required under AS 29.45.090.

Area	Local Taxable Full Value (AS 29.45)	State Taxable Full Value (AS 43.56)	Full Value Determination (AS 14.17)
Taxing Jurisdictions	\$78,803,134,800	\$23,776,056,020	\$102,579,190,820
Outside Taxing Jurisdictions (AS 43.56 Property)	\$0	\$4,873,594,020	\$4,873,594,020
<b>Statewide Total</b>	<b>\$78,803,134,800</b>	<b>\$28,649,650,040</b>	<b>\$107,452,784,840</b>

#### AVERAGE PER-CAPITA FULL AND TRUE VALUE: JANUARY 1, 2013

(Including state oil and gas)\* \$146,734

(Excluding state oil and gas)\* \$107,611

\*Average per-capita values are based upon a statewide population of: 732,298

## Part 2 - Municipal Class Tax Types, Rates and Revenues

**Table 3A**  
**2013 Per-Capita Tax Revenues**

This table lists only those municipalities which levy a sales, severance, property or other type of local tax

Municipality	Property Tax (Inc. Oil & Gas)	Sales Tax	Other Taxes	Total Taxes Reported	Population	Per-Capita Revenue	Per-Capita <sup>(2)</sup> Revenue City & Burd
Fairbanks, City <sup>(1)</sup>	\$14,261,951	\$0	\$5,584,104	\$19,846,055	32,070	\$620	\$1,750
Unalakleet	\$0	\$387,125	\$9,698	\$396,823	700	\$570	\$370
Cold Bay	\$0	\$0	\$52,715	\$52,715	98	\$540	\$1,810
Saint George	\$0	\$0	\$36,687	\$36,687	86	\$430	\$430
Nake	\$0	\$244,953	\$0	\$244,953	598	\$410	\$410
Galena	\$0	\$181,066	\$0	\$181,066	484	\$370	\$370
Saint Michael	\$0	\$128,107	\$0	\$128,107	404	\$320	\$320
Bettles	\$0	\$0	\$4,448	\$4,448	15	\$300	\$300
Emmonak	\$0	\$221,910	\$0	\$221,910	755	\$290	\$290
Fort Yukon	\$0	\$167,638	\$0	\$167,638	586	\$290	\$290
Quinhagak	\$0	\$198,717	\$0	\$198,717	689	\$290	\$290
Shiktoolik	\$0	\$77,243	\$0	\$77,243	276	\$280	\$280
Selawik	\$0	\$217,678	\$10,506	\$228,184	856	\$270	\$270
Houston <sup>(1)</sup>	\$365,585	\$158,014	\$0	\$523,599	2,012	\$260	\$1,500
Marshall	\$0	\$105,968	\$0	\$105,968	414	\$260	\$260
Port Alexander	\$0	\$15,499	\$1,637	\$17,136	66	\$260	\$260
Saxman <sup>(1)</sup>	\$0	\$112,633	\$0	\$112,633	452	\$260	\$1,470
Buckland	\$0	\$112,545	\$0	\$112,545	453	\$250	\$250
Mekoryuk	\$0	\$47,737	\$0	\$47,737	210	\$230	\$230
Hooper Bay	\$0	\$246,798	\$0	\$246,798	1,114	\$220	\$220
Saint Mary's	\$0	\$112,424	\$2,673	\$115,099	524	\$220	\$220
Nepkiak	\$0	\$70,626	\$0	\$70,626	358	\$200	\$200
Pilot Station	\$0	\$116,828	\$0	\$116,828	597	\$200	\$200
Iijim	\$0	\$63,113	\$0	\$63,113	365	\$170	\$170
Alakanuk	\$0	\$115,353	\$0	\$115,353	707	\$160	\$160
Dionede	\$0	\$19,112	\$0	\$19,112	121	\$160	\$160
Kotlik	\$0	\$103,149	\$0	\$103,149	628	\$160	\$160
Point Hope	\$0	\$106,533	\$0	\$106,533	668	\$160	\$45,500
Teller	\$0	\$41,078	\$148	\$41,227	250	\$160	\$160
Togiak	\$0	\$138,016	\$0	\$138,016	871	\$160	\$160
Chevak	\$0	\$143,378	\$0	\$143,378	970	\$150	\$150
Shungnak	\$0	\$37,479	\$0	\$37,479	269	\$140	\$140
Angoon	\$0	\$63,915	\$103	\$64,020	456	\$140	\$140
Deering	\$0	\$20,539	\$0	\$20,539	142	\$140	\$140
Kaehemik <sup>(1)</sup>	\$64,531	\$0	\$0	\$64,531	467	\$140	\$1,670
Nuiqsut	\$0	\$0	\$61,955	\$61,955	428	\$140	\$45,480
Gambell	\$0	\$88,974	\$0	\$88,974	690	\$130	\$130
Etak	\$0	\$42,000	\$0	\$42,000	339	\$120	\$120
Kiana	\$0	\$45,352	\$0	\$45,352	383	\$120	\$120
Koyuk	\$0	\$41,256	\$0	\$41,256	338	\$120	\$120
Savoonga	\$0	\$89,057	\$0	\$89,057	713	\$120	\$120
Chefornak	\$0	\$46,926	\$0	\$46,926	434	\$110	\$110
Kwethluk	\$0	\$81,406	\$0	\$81,406	751	\$110	\$110
Shishmaref	\$0	\$67,640	\$0	\$67,640	605	\$110	\$110
Anderken <sup>(1)</sup>	\$0	\$23,697	\$0	\$23,697	240	\$100	\$1,600
Aniak	\$0	\$54,804	\$0	\$54,804	541	\$100	\$100
Nunapituk	\$0	\$55,898	\$0	\$55,898	563	\$100	\$100
Seaton Bay	\$0	\$55,369	\$0	\$55,369	536	\$100	\$100
Stebbins	\$0	\$56,038	\$0	\$56,038	566	\$100	\$100
Tanana	\$0	\$24,323	\$0	\$24,323	233	\$100	\$100
Brevig Mission	\$0	\$36,177	\$0	\$36,177	417	\$90	\$90
Kivalina <sup>(1)</sup>	\$0	\$34,757	\$0	\$34,757	402	\$90	\$90
Old Harbor	\$0	\$18,573	\$0	\$18,573	206	\$90	\$1,160
Barrow <sup>(1)</sup>	\$0	\$0	\$360,042	\$360,042	4,617	\$80	\$45,420

<sup>(1)</sup>The revenue numbers listed only represent the revenues collected by the city.

<sup>(2)</sup>This column reflects a per-capita revenue encompassing both city and borough taxes.

**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:**

$$\begin{aligned}
 & \$140,307 \quad \times \quad 225\% \quad \times \quad 18,436^* \quad = \quad \$5,820,074.667 \quad (\text{assessed value limit for operating budget}) \\
 & \$5,820,074.667 \quad \times \quad 30 \text{ mills} \quad = \quad \$174,602,240 \quad (\text{FY14 statutory tax limit for operating budget}) \\
 & \text{Actual FY14 projected operating budget:} \quad \$174,602,240 \\
 & \frac{\$174,602,240}{\$5,820,074.667} \quad = \quad 30 \text{ mills (operating budget rate at the 30 mill tax limit)}
 \end{aligned}$$

**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 mills (levy to satisfy debt service)
$\frac{\$174,602,240}{\$19,238,124.752}$	=	9.08 mills (levy to satisfy operating budget)
<b>Mill Rate</b>	=	9.42 + 9.08 = 18.5 mills (actual overall rate)

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

**Debt service—**  
 $\frac{\$181,303.068}{\$5,820,074.667} = 31.15 \text{ mills}$

**Operating Budget—**  
 $\frac{\$174,602,240}{\$5,820,074.667} = 30.00 \text{ mills}$

**Total Mills based upon 225% formula values -- 61.15 mills**

\* 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

**Table 7C**  
**LOCAL ASSESSMENTS vs FULL VALUE - REAL AND**  
**PERSONAL PROPERTY COMBINED**

Municipalities not listed in this table do not levy a property tax.

<b>Boroughs/Unified Municipalities</b>	<b>Locally Assessed Value</b>	<b>Full Value*</b>	<b>Ratio</b>
Municipality of Anchorage	\$32,248,783,661	\$36,471,253,700	88.42%
Bristol Bay Borough	\$271,952,761	\$313,136,900	86.85%
Fairbanks North Star Borough	\$7,226,523,375	\$9,549,921,000	75.67%
Fairbanks	\$2,436,231,311	\$3,491,468,200	69.78%
North Pole	\$289,241,410	\$364,071,800	79.45%
Outside Cities	\$4,501,050,654	\$5,694,381,000	79.04%
Haines Borough	\$321,347,850	\$383,343,200	83.83%
City & Borough of Juneau	\$4,344,649,053	\$4,892,381,900	88.80%
Kenai Peninsula Borough	\$6,295,906,850	\$7,913,608,700	79.56%
Homer	\$644,259,434	\$869,601,300	74.09%
Kaohemak	\$65,572,800	\$72,652,700	90.26%
Kenai	\$754,727,961	\$909,414,400	82.99%
Soldovia	\$42,043,285	\$49,131,100	85.57%
Seward	\$601,949,991	\$653,810,300	92.07%
Soldotna	\$486,608,006	\$672,501,200	72.36%
Outside Cities	\$3,700,745,373	\$4,686,497,700	78.97%
Ketchikan Gateway Borough	\$1,314,675,800	\$1,674,745,500	78.50%
Ketchikan	\$797,660,600	\$1,024,117,700	77.89%
Saxman	\$18,012,800	\$23,227,200	71.40%
Outside Cities	\$559,240,400	\$625,400,600	89.42%
Kodiak Island Borough	\$1,131,476,611	\$1,515,554,400	74.66%
Akhvak	\$571,700	\$1,563,000	36.58%
Kodiak	\$504,212,816	\$761,210,400	66.24%
Larsen Bay	\$6,062,400	\$12,411,900	48.84%
Old Harbor	\$4,390,500	\$9,356,800	46.92%
Ouzinkie	\$2,999,400	\$5,301,400	56.58%
Port Lions	\$10,686,800	\$15,607,400	68.47%
Outside Cities	\$602,552,995	\$710,103,500	84.85%
Matanuska-Susitna Borough	\$7,983,122,481	\$9,796,972,600	81.49%
Houston	\$117,961,048	\$154,590,600	76.31%
Palmer	\$393,002,396	\$657,140,800	59.80%
Wasilla	\$984,838,351	\$1,556,379,200	63.28%
Outside Cities	\$6,487,320,686	\$7,428,862,000	87.33%
North Slope Borough	\$447,819,562	\$517,705,400	86.50%
Anaktuvuk Pass	\$2,383,620	\$4,866,900	48.98%
Atkasuk	\$1,824,400	\$5,232,500	34.87%
Barrow	\$189,432,500	\$214,797,600	88.19%
Kaktovik	\$4,279,250	\$6,924,400	61.80%
Nuiqsut	\$5,651,982	\$10,117,700	55.86%
Point Hope	\$1,236,400	\$6,797,000	18.19%
Wainwright	\$10,414,720	\$16,292,000	63.93%
Outside Cities	\$232,596,690	\$252,677,300	92.05%
City & Borough of Sitka	\$1,007,636,924	\$1,162,987,200	86.64%
Municipality of Skagway	\$312,036,377	\$343,739,500	90.78%
City & Borough of Wrangell	\$133,741,682	\$204,671,000	65.34%
City & Borough of Yakutat	\$44,291,865	\$74,661,300	59.32%
<b>Total Boroughs</b>	<b>\$63,083,964,852</b>	<b>\$74,814,682,300</b>	<b>84.32%</b>
<b>Cities</b>	<b>Locally Assessed Value</b>	<b>Full Value*</b>	<b>Ratio</b>
Cordova	\$172,136,790	\$292,774,100	58.80%
Craig	\$89,392,400	\$129,140,800	69.22%
Dillingham	\$161,873,118	\$206,017,600	78.57%
Eagle	\$8,964,688	\$12,126,000	73.93%
Nenana	\$19,009,158	\$29,288,300	64.90%
Nome	\$266,612,252	\$378,886,400	70.37%
Pelican	\$8,716,056	\$12,131,300	71.85%
Petersburg	\$263,871,224	\$322,571,500	81.80%
Unalaska	\$492,249,000	\$562,628,000	87.49%
Valdez	\$260,022,593	\$373,286,700	69.66%
Whittier	\$78,126,540	\$76,178,600	102.56%
<b>Total Cities</b>	<b>\$1,820,973,819</b>	<b>\$2,395,029,300</b>	<b>76.03%</b>
<b>Total Municipalities</b>	<b>\$64,904,938,671</b>	<b>\$77,209,711,600</b>	<b>84.06%</b>

\* This table excludes oil gas properties assessed under AS 43.56.

Part 3 - Property Taxation

**Table 8**  
**FULL VALUE DETERMINATION**  
As of January 1, 2013

Boroughs/Unified Municipalities	AS 29.45	AS 43.56	Full Value Determination	Population	Per-Capita Full Value
	Local Taxable Full Value	State Taxable Oil & Gas Full Value			
<b>Lake &amp; Peninsula Borough</b>	\$142,926,600	\$0	\$142,926,600	1,673	\$85,431
Chignik	\$26,682,900	\$0	\$26,682,900	91	\$293,219
Egegik	\$20,973,400	\$0	\$20,973,400	106	\$197,862
Newhalen	\$34,464,000	\$0	\$34,464,000	178	\$193,618
Nondalton	\$23,677,200	\$0	\$23,677,200	169	\$140,102
Pilot Point	\$9,113,100	\$0	\$9,113,100	68	\$134,016
Port Heiden	\$7,380,000	\$0	\$7,380,000	123	\$60,000
Outside Cities	\$20,636,000	\$0	\$20,636,000	938	\$22,000
<b>Matanuska-Susitna Borough</b>	\$9,796,972,600	\$7,774,330	\$9,804,746,930	93,801	\$104,527
Houston	\$154,590,600	\$0	\$154,590,600	2,012	\$76,834
Palmer	\$657,140,800	\$0	\$657,140,800	6,117	\$107,429
Wasilla	\$1,556,379,200	\$0	\$1,556,379,200	8,207	\$189,640
Outside Cities	\$7,428,862,000	\$7,774,330	\$7,436,636,330	77,465	\$96,000
<b>North Slope Borough</b>	\$517,705,400	\$18,784,717,890	\$19,302,423,290	7,725	\$2,498,696
Anaktuvuk Pass	\$4,866,900	\$0	\$4,866,900	344	\$14,148
Atkasuk	\$5,232,500	\$0	\$5,232,500	235	\$22,266
Barrow	\$214,797,600	\$0	\$214,797,600	4,617	\$46,523
Kaktovik	\$6,924,400	\$0	\$6,924,400	245	\$28,263
Nuiqsut	\$10,117,700	\$0	\$10,117,700	428	\$23,639
Point Hope	\$6,797,000	\$0	\$6,797,000	668	\$10,175
Wainwright	\$16,292,000	\$0	\$16,292,000	565	\$28,835
Outside Cities	\$252,677,300	\$18,784,717,890	\$19,037,395,190	623	\$30,557,617
<b>Northwest Arctic Borough</b>	\$744,522,600	\$0	\$744,522,600	7,716	\$96,491
Ambler	\$5,933,500	\$0	\$5,933,500	271	\$21,895
Bucklund	\$5,563,700	\$0	\$5,563,700	453	\$12,282
Deering	\$3,051,400	\$0	\$3,051,400	142	\$21,489
Kiana	\$9,778,300	\$0	\$9,778,300	383	\$25,531
Kivalina	\$2,721,400	\$0	\$2,721,400	402	\$6,770
Kobuk	\$2,957,400	\$0	\$2,957,400	141	\$20,974
Kotzebue	\$196,215,800	\$0	\$196,215,800	3,237	\$60,617
Norvik	\$9,706,200	\$0	\$9,706,200	626	\$15,505
Selawik	\$14,189,300	\$0	\$14,189,300	856	\$16,576
Shungnak	\$4,274,300	\$0	\$4,274,300	269	\$15,890
Outside Cities	\$490,131,300	\$0	\$490,131,300	936	\$523,645
<b>City &amp; Borough of Sitka</b>	\$1,162,987,200	\$0	\$1,162,987,200	9,084	\$128,026
<b>Municipality of Skagway</b>	\$343,739,500	\$0	\$343,739,500	961	\$357,689
<b>City &amp; Borough of Wrangell</b>	\$204,671,000	\$0	\$204,671,000	2,448	\$83,607
<b>City &amp; Borough of Yakutat</b>	\$74,661,300	\$0	\$74,661,300	622	\$120,034
<b>BOROUGH SUMMARY</b>	<b>\$76,183,486,500</b>	<b>\$21,084,713,220</b>	<b>\$97,268,199,720</b>	<b>649,500</b>	<b>\$149,759</b>

- Local Taxable → The full value of real & personal property that can be taxed under state law as equalized by the Office of the State Assessor according to standards defined in Attorney General Opinion No. 18, 1962.
- State Taxable Oil & Gas Property, AS 43.56 → The assessed value of oil & gas exploration, production and transportation property as determined by the Department of Revenue, Tax Division.
- Full Value Determination → The full value of property taxable under state law (AS 29.45) and oil & gas property assessed by the State Department of Revenue under AS 43.56.
- Per-Capita Value → The average per-capita value based upon total full value including oil & gas property. Populations for 2013 are from the DCCED 2012 Certified Municipal Populations for FY14 Programs.
- Population → Population total on this page represents only those municipalities that levy a property tax.