



FACT SHEET

PROPERTY TAXES

Each year, the Municipality of Anchorage collects property taxes from homeowners and commercial entities, and in return, those taxes fund local services like fire and police, schools, parks, libraries, roads, and health services. Property taxes account for about half of the revenue needed to fund the Municipality's operations. Other sources of funding include non-property taxes such as room, auto, tobacco, and alcohol taxes as well as investment revenue, fees and permits, and federal and state contributions.

Property taxes are calculated by a formula with two main parts: municipal budgets and property assessments.

The Municipal Charter assigns the Anchorage Assembly the responsibility to pass a balanced budget.

The Assembly holds legislative power to set a **balanced annual budget** including operating budgets for general government, utilities and the Anchorage School District.

The Anchorage School District makes up about 45% of the budget funded by property taxes. Property taxes for ASD services were reduced greatly in 2022 when the Alaska State Legislature fully funded school bond debt reimbursement for the first time in years.

In setting this year's general government budget, we took advantage of the Municipality's strong financial health following the 2021 sale of ML&P and passed a budget that stayed under the tax cap, held property taxes steady, and funded many community-backed public safety services.

Forrest Dunbar & Austin Quinn-Davidson
Assembly Budget & Finance Committee Co-Chairs

What is a **Tax Cap**?

The Tax Cap is a value calculated annually that establishes the maximum total amount the Municipality of Anchorage can collect in property taxes.

Per Anchorage Municipal Code 12.25, the Anchorage Assembly is not allowed to pass a budget that collects more property taxes than the Municipal Tax Cap allows.

Every year, property value assessments are conducted by the Municipality of Anchorage's Property Appraisal Division.

Property owners throughout the city receive green cards in the mail every January, called a Property Appraisal.

Headed by the Municipal Assessor, the Division is staffed by career professionals who use data, property visits and market information to locate, identify and value all taxable real property and personal property within the Municipality. If a property owner disagrees with their assessment, there is a detailed and open process for making an appeal.

DIVE IN

Connect with the **Property Appraisal Division**: www.muni.org/pa

Review the **2022 Property Appraisal Annual Valuation Report**: bit.ly/3lzx5xT

While a major increase in your property assessment may result in higher property taxes, this is not always the case.

Due to the growing housing market, most homeowners observed a jump in property assessment values in 2022, but not everyone saw an increase in taxes. In fact, some homeowners saw an **increase** in their property's assessed value, but a **decrease** in their property taxes.

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View your **property tax payment and assessment history**: property.muni.org

Once the property assessments are complete and the budget finalized, mill rates are set for public services in each neighborhood.

Mill rates are a **unit of measurement** for tax rates. By definition, one mill is equivalent to \$1 owed per \$1,000 in real assessed value.

$$\frac{\text{Total Property Taxes to be Collected}}{\text{Total Assessed Value}} \times 1,000 = \text{Mill Rate}$$

DIVE IN

Learn more about how mill rates and **property taxes are calculated**: bit.ly/3lmLbll

Your property tax bill depends on where you live.

Different neighborhoods receive different city services and the municipality has over 40 taxing districts. Some neighborhoods, like those in the Girdwood Valley or the Eagle River Street Lights Service Areas, pay mill levies for services specific to their neighborhoods.

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Review the **mill rates for each tax district**: bit.ly/3yput0v

View a **map of Anchorage Tax Districts**: bit.ly/3ajEYL3

How do Anchorage property taxes compare to other cities?

The District of Columbia is required by Congress to do a nationwide comparison of tax rates and tax burdens each year for the largest cities in each state.

For families making \$50,000 or more, **Anchorage ranks 51st for overall tax burden** according to the 2020 Tax Rates & Tax Burdens Nationwide Comparison report.

DIVE IN

Read the **2020 Tax Rates & Tax Burdens Nationwide Comparison** report.

bit.ly/3lnF3d2