

**Assembly Budget/Finance Committee**

**October 20, 2022**

**Revenue Summary Highlights\* from MOA Treasury**

\*per SAP extract report generated as of 10/11/22, plus Ambulance Service Fee revenue update as of 10/18/22; revenue highlights include all 100 Fund Gen'l Gov't Operating Budget Revenues, plus full amount of room tax (all funds) as well as information re: separate fund revenues for Building Safety Fund and Alcohol Tax Fund

**Overall 2022 YTD Revenue Realization**

- 2022 Total Budgeted Revenues: \$786.8M (incl. ASD)
- 2022 YTD Actual Revenues posted in SAP: \$700.8M
- 2022 YTD Revenue Realization: 89%
- Projected variances cited below represent “net” positive variance of \$31.3M (61%, or \$19M, from AFD SEMT back year payments received in Sept/Oct 2022)

**Highlights of Select Major Revenues: Preliminary Outlook or Trend**

	<b>2021 Actual</b>	<b>2022 Budget</b>	<b>2022 YTD posted rev in SAP</b>	<b>2022 YTD Realization</b>	<b>Baseline info for projection</b>	<b>Current Outlook or Trend vs. Budget</b>	<b>Add'l Comments</b>
<b>2022 PFD Garnishment Revenues (mostly APD)</b>	\$4.85M	\$6.9M	n/a	n/a	2022 announced PFD + energy relief payment amount of \$3,284.	Expected to exceed budget by approximately \$100K.	First two large batches of PFD payments have been received.
<b>MUSA/MESA</b>	\$20.0M	\$20.1M	\$19.1M	95%	Based on SAP postings thru 10/11/22.	Projected negative variance of <b>&lt;\$1.0M&gt;</b> .	Municipal utilities and enterprises to pay their annual MUSA/ MESA payments during Q3 2022.
<b>Private PILT</b>	\$12.4M	\$12.7M	\$11.8M	93%	Based on contractual payments payable to MOA.	Projected negative variance of <b>&lt;\$900K&gt;</b> .	Includes actual annual payments received from Aurora Base Housing and Chugach Electric.

	2021 Actual	2022 Budget	2022 YTD posted rev in SAP	2022 YTD Realization	Baseline info for projection	Current Outlook or Trend vs. Budget	Add'l Comments
<b>Real Property Tax (incl. ASD)</b>	\$563.4M	\$554.5M	\$549.9M	99.2%	Based on 2022 Roll 1 real property tax billings in late June 2022 and late August 2022, combined with subsequent value adjustments and payments received each month for delinquent real property.	Projected negative real property tax variance of <\$1.1M>. <b>Note:</b> In total, real and personal property tax projected to exceed budget by \$3.3M.	Current Year Real (and Personal) Property Tax Revenue is posted when billed and delinquent property tax payments are posted when received and adjusted at Year End by Controller Division per accounting standards.
<b>Personal Property Tax (incl. ASD)</b>	\$48.4M	\$43.2M	\$47.6M	110.2%	Based on 2022 billing of all personal property Rolls 2-7 in October 2022.	Projected positive personal property tax variance of \$4.4M. Budget set at lower amount than prior year.	See preceding comment re: property tax revenue accounting standards.
<b>Cash Pool Earnings Revenue Accounts (incl. TANS)</b>	<\$2.3M>	\$712.2K	<\$5.3M>	n/a	SAP revenue postings reflect actual earnings allocations thru August 2022. Remainder of 2022 cash pool/TANS earnings projection is based on past earnings allocations during comparable time periods.	Budget set at lower amount than prior year. Potential negative variance of <\$4.5M> as of early October 2022 per projection received from Public Finance & Investments Division.	Earnings and market value of Cash Pool investments can vary significantly month-to-month.

	2021 Actual	2022 Budget	2022 YTD posted rev in SAP	2022 YTD Realization	Baseline info for projection	Current Outlook or Trend vs. Budget	Add'l Comments
<b>Room Tax (GG portion) – QUARTERLY REPORTED REVENUE</b>	\$29.0M	\$29.6M	\$19.0M	64%	Based on receipt of Q1 & Q2 2022 actual filings. Information filings from 23 of the largest hotels in August 2022 show a 21% increase in taxable room rents over August 2021.	Gen'l Gov't portion of room tax expected to notably exceed budget by several million dollars. Q2 typically represents 29% of annual room tax. Q3 is the dominant quarter.	Room tax revenues are driven by extraordinary levels of pricing which are not sustainable in years to come. Q1 & Q2 2022 data show an exceptionally strong increase over comparable prior year periods.
<b>Rental Vehicle Tax – QUARTERLY REPORTED REVENUE</b>	\$7.4M	\$8.3M	\$6.2M	75%	Based on receipt of Q1 & Q2 2022 actual filings + large payment of back taxes (principal portion) received in June 2022.	Expected to exceed budget by approximately \$7M. Q1 & Q2, combined, typically represent 33% of annual rental vehicle tax. Q3 is the dominant quarter.	Similar to assumptions and trends used for room tax (see above).
<b>Rental Vehicle Tax – Interest and Penalty</b>	\$3K	\$34K	\$503K	--	Based on large payment of back taxes (int. and penalty portion) recv'd in June 2022.	Expected to exceed budget by slightly more than \$503K.	Extraordinary year of interest and penalties associated with Rental Vehicle Tax.
<b>Tobacco Tax</b>	\$20.2M	\$20.7M	\$14.8M	72%	Based on 8 months of filings.	Appears on pace to at least meet budget, however year end revenue is subject to timing of	Tobacco tax remittances are historically higher during the summer months.

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						acquisitions by Distributors.	
<b>Motor Fuel Excise Tax</b>	\$12.2M	\$13.3M	\$7.2M	54%	Based on 8 months of motor fuel excise tax payments posted or to-be posted in SAP.	Possible negative variance of <\$1M>. MOA is mirroring national fuel consumption trends. Fuel consumption was down during first half of 2022 in part due to higher gas prices.	Seasonality impact exists. Fuel Excise Tax is based on gallons of fuel purchased, not on price per gallon.
<b>Auto Registration Tax</b>	\$10.5M	\$10.8M	\$7.2M	67%	Based on 8 months of DMV payments posted or to-be posted in SAP.	Expected to meet budget.	Percentage realization is slightly ahead of 2021.
<b>Marijuana Tax</b>	\$5.7M	\$6.0M	\$3.8M	63%	Based on 8 months of filings.	Projected negative variance of <\$200K> due to signs of potential market saturation. YTD postings do not reflect seasonal increases, coupled with increased 2022 PFD.	Seasonal increases expected around major holiday, summer season and PFD.
<b>Municipal Assistance</b>	\$1.7M	\$1.7M	\$0	0%	Based on SAP postings thru 10/11/22. Alaska Municipal League (AML) and SOA Dept of Commerce,	Expected to exceed budget by \$5.5M, per current projection received from OMB of \$7.2M (rounded).	SOA expected to make payment to MOA following receipt of annual financial report from

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					Community, and Economic Development used as primary sources of projected revenue sharing amount.		MOA for year-end 2021, which was issued at end of September 2022.
<b>APD Counter Fines</b>	\$2.2M	\$2.2M	\$1.7M	77%	Based on 9 months of timely paid traffic citations.	Expected to meet budget.	Grant funds are used for traffic enforcement.
<b>Ambulance Service Fees</b>	\$9.2M	\$13.4M	\$30.2M	225%	Based on SAP postings as of 10/18/22.	Projected positive revenue variance of approximately \$19M, due to receipt of large dollar back year payments for the SEMT Medicaid reimbursement program. <b>Note:</b> AFD increased the 2023 Ambulance Service Fee revenue budget based on further receipt of SEMT reimbursement payments.	Revenues are adjusted quarterly by Controller Division based on collectability.
<b>MOA Trust Fund</b>	\$18.8M	\$17.1M	\$14.3M	84%	Based on 2022 dividend amount calculated at 4.00% payout, consistent with AMC 6.50.060	Expected to meet dollar amount cited in 2022 1 <sup>st</sup> Quarter Budget Revision.	Annual dividend calc is determined as of March 31 of each year. Initial \$11.6M portion of

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					calculation methodology.		2022 dividend was paid on 1/14/22.
<b>Bldg Safety Fund (163000)</b>	\$5.7M	\$5.9M	\$5.5M	93%	Based on SAP postings thru 10/11/22.	Projected to meet or slightly exceed budget. 2022 YTD realization thru first 9 mos. is 93% (as compared to 91% for same time period in 2021).	Separate fund associated with Bldg. Permit Center.
<b>Alcohol Retail Sales Tax (Fund 206000)</b>	\$14.0M	\$15.4M	\$9.9M	64%	Based on 8 months of filings and payments posted to SAP.	Expected to meet budget.	Separate, dedicated fund. Projection amount includes tax, interest, penalty and misc. revenues posted to the Alcohol Fund in SAP.