



# MUNICIPALITY OF ANCHORAGE

## OFFICE OF THE MAYOR

### MEMORANDUM

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**DATE:** April 30, 2021

**TO:** Anchorage Assembly  
Felix Rivera, Assembly Chair

**FROM:** Acting Mayor Austin Quinn-Davidson *AQD*

**SUBJECT:** Veto of AO 2021-36

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Pursuant to the authority vested in me by Charter section 5.02(c), I hereby veto AO 2021-36, AN ORDINANCE SETTING THE RATES OF TAX LEVY, APPROVING THE AMOUNT OF MUNICIPAL PROPERTY TAX, AND LEVYING TAXES FOR ALL SERVICE AREAS OF THE MUNICIPALITY OF ANCHORAGE GENERAL GOVERNMENT FOR 2021.

The reason(s) for this veto are as follows:

1. I offer this veto to create an opportunity for the assembly to reconsider and adjust the approved mill rates for fiscal year 2021 in order to correct an anomalous result for a small number of residents in our municipality. The mill rate calculation methodology used in 2021 and embodied in AO 2021-36 is the same methodology used in previous years. But in 2020, much of the municipal spending on COVID-19 relief efforts for the benefit of all Anchorage residents came from the areawide general fund, which has contributed to the increase in Areawide General Fund 101 mill rates that the Assembly approved in this ordinance. Because federal COVID-19 relief dollars were spent on first responder payroll in 2020, the impact on police and fire service areas resulted in lower-than-normal mill rates this year to support those services. This lower mill rate for police and fire services helped offset the increase in the Areawide General, Fund 101 mill rates for most individuals in the municipality. But individuals outside of the service areas that benefited from federal assistance of first responder payroll (including areas of

Girdwood as well as parts of Eagle River, Chugiak, and of the Hillside)<sup>1</sup> would experience the mill rates, as passed, as an increase in taxation without any offset for the decreased mill rates for the police and fire services. Neither the assembly nor the administration intended that a fraction of Anchorage residents should experience disproportionately higher taxes due to municipal spending on COVID-19 relief programs for all residents. The administration proposes that the assembly take the opportunity of this veto to reconsider the issue of mill rates at a special meeting on Monday, May 3, 2021, in order to create a one-time adjustment to the areawide mill rates that will eliminate the disproportionate impacts of the current ordinance.

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<sup>1</sup> Specifically, Tax Districts 4 (Girdwood Valley) and 15 (Muni/Outside Bowl w/o APD); 5 (Glen alps SA w/o Fire); 16 (Muni/Outside Bowl with Police); 30 (Eagle River Valley RRSA w/no Fire); 42 (View Point); 47 (Gateway Contributing RSA); 55 (South Goldenview RRSA w/o Fire); 56 (Bear Valley LRSA w/o Fire); 58 (Eagle River Valley RRSA w/ ERSL w/o Fire).