Submitted by: Chairman of the Assembly

at the Request of the Mayor

Prepared by:

Office of Management and

and Budget

anna J. Fairclough

For Reading: March 29, 2005

ANCHORAGE, ALASKA AO No. 2005-47

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 12.25.040 TO REDUCE THE 2005 MAXIMUM ATTAINABLE TAX REVENUE BY AN AMOUNT ATTRIBUTABLE TO EXCLUSION OF THE CHUGIAK FIRE SERVICE AREA FROM THE 2005 BUDGET.

THE ANCHORAGE ASSEMBLY ORDAINS:

CLERK'S OFFICE

APPROVED

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Section 1. Anchorage Municipal Code section 12.25.040 is amended to add a new subsection 12.25.040H. as follows (the remainder of the section is not affected and therefore not set out):

12.25.040 Computation of maximum attainable tax revenue amount.

The estimate of maximum attainable tax revenue (next year revenue available) is computed for the next fiscal year according to the following procedures:

The fiscal year 2005 maximum attainable tax revenue calculated pursuant to this H. section shall be reduced by an amount equal to the amount of revenue attributable to the Chugiak Fire Service Area in the approved 2005 municipal operating budget.

This ordinance shall be effective immediately upon passage and approval by the Section 2. Assembly.

PASSED AND APPROVED by the Anchorage Assembly this / day of April, 2005.

ATTEST:

Municipal Clerk

MUNICIPALITY OF ANCHORAGE Summary of Economic Effects -- General Government

AO Number: 2005- 47

Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 12.25.040 TO REDUCE THE 2005 MAXIMUM ATTAINABLE TAX REVENUE

BY AN AMOUNT ATTRIBUTABLE TO EXCLUSION OF THE CHUGIAK FIRE

SERVICE AREA FROM THE 2005 BUDGET

Sponsor:

Mayor

Preparing Agency: Others Impacted:

Office of Management and Budget

Maintenance and Operations Department

CHANGES IN EXPENDITURES AND REVENUES:				(In Thousands of Dollars)							
Operating Expenditures 1000 Personal Services 2000 Non-Labor 3900 Contributions 4000 Debt Service	FY05		FY06		FY07		FY08		FY09		
TOTAL DIRECT COSTS:	\$	-	<u> \$ </u>	-	\$	-	\$	-	\$		
Add: 6000 Charges from Others Less: 7000 Charges to Others											
FUNCTION COST:	\$	-	\$	-	\$		\$	-	\$		
REVENUES est. not to exceed:											
CAPITAL:									1 10 5 10 5		
POSITIONS: FT/PT and Temp											

PUBLIC SECTOR ECONOMIC EFFECTS:

The 2005 approved budget for the Chugiak Fire Service Area includes an estimated tax revenue of \$721,160. With an estimated assessed valuation for the Chugiak Fire Service Area of \$813 million, the preliminary tax rate was 0.89 mills. These taxes were within the Municipal Tax Limitation at the approval of the 2005 Budget.

Anchorage Municipal Code (AMC) section 27.30.560 as revised by the residents of the Chugiak Fire Service Area at the April 5, 2005 election, setting the tax levy at a rate not to exceed 1.00 mills, allowing taxes of approximately \$813,000 to be collected. This ordinance allows those taxes to be excluded from the Municipal Tax Limitation, reducing the maximum allowable tax revenue for 2005 as defined in AMC section 12.25.040. This allows the Chugiak Fire Service Area budget to be set at an amount not to exceed \$813,000 in tax cost, as determined by the Chugiak Fire Service Area Board, in the 2005 budget while being excluded from the Municipal Tax Limitation.

PRIVATE SECTOR ECONOMIC EFFECTS:

The 2005 preliminary tax levy represents an estimated cost of \$89 per \$100,000 of assessed valuation. If the tax levy is increased to the maximum 1.00 mills, taxpayers within the Chugiak Fire Service Area will pay an amount not to exceed the 1.00 mills tax levy for fire prevention services, an amount approximately \$100 per \$100,000 of assessed valuation.

Prepared by:

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