

Submitted by: The Chairman of the Assembly
at the Request of the Mayor
Prepared by: Office of Management and
Budget
For Reading: March 29, 2005

CLERK'S OFFICE

APPROVED

Date: 4-19-05 ANCHORAGE, ALASKA

AO No. 2005-49

1 AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTION 12.25.040 TO
2 REDUCE THE 2005 MAXIMUM ATTAINABLE TAX REVENUE BY AN AMOUNT
3 ATTRIBUTABLE TO EXCLUSION OF THE GIRDWOOD VALLEY SERVICE AREA FROM
4 THE 2005 BUDGET.

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7 THE ANCHORAGE ASSEMBLY ORDAINS:

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9 **Section 1.** Anchorage Municipal Code section 12.25.040 is amended to add a new subsection
10 12.25.040I. as follows (*the remainder of the section is not affected and therefore not set out*):

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12 **12.25.040 Computation of maximum attainable tax revenue amount.**

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

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17 *** *** ***


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19 I. The fiscal year 2005 maximum attainable tax revenue calculated pursuant to this
20 section shall be reduced by an amount equal to the amount of revenue attributable to
21 the Girdwood Valley Service Area in the approved 2005 municipal operating
22 budget.

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

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27 PASSED AND APPROVED by the Anchorage Assembly this 19th day of April, 2005.

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32 Chair

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34 ATTEST:

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38 Municipal Clerk

The 2005 approved budget for the Girdwood Valley Service Area includes an estimated tax revenue of \$899,280. With an estimated assessed valuation for the Girdwood Valley Service Area of \$315.6 million, the preliminary tax rate was 2.85 mills. These taxes were within the Municipal Tax Limitation.

Anchorage Municipal Code section (AMC) 27.30.700, as revised by the residents of the Girdwood Valley Service Area at the April 5, 2005 election, sets the tax levy at a rate not to exceed 6.00 mills, allowing for taxes to be collected in an amount not to exceed \$1.9 million. This ordinance allows those taxes to be excluded from the Municipal Tax Limitation, reducing the maximum allowable tax revenue for 2005 as defined by AMC section 12.25.040. This allows the Girdwood Valley Service Area budget to be set at an amount not to exceed \$1.9 million in tax cost, as determined by the Girdwood Valley 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 \$285 per \$100,000 of assessed valuation. If the tax levy is increased to the maximum 6.0 mills, taxpayers within the Girdwood Valley Service Area could pay an amount not to exceed the 6.0 mills maximum approved tax levy for fire prevention, parks and recreation and road maintenance services, approximately \$600 per \$100,000 of assessed valuation.

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