

Submitted by: ASSEMBLY CHAIR DRUMMOND  
ASSEMBLY MEMBER SELKREGG  
Prepared by: Assembly Counsel  
For reading: February 17, 2009

*Postponed indefinitely 3/2/09*

**ANCHORAGE, ALASKA  
AO NO. 2009-31**

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING  
2 ANCHORAGE CODE SECTION 12.25.040 TO INCLUDE PAYMENTS IN LIEU OF  
3 TAXES FROM MUNICIPAL UTILITIES, DEPARTMENTS, AGENCIES, PUBLIC  
4 CORPORATIONS, AND ENTERPRISE AUTHORITIES; TO USE A FIVE-YEAR  
5 AVERAGE TO CALCULATE ANY INCREASE IN THE CONSUMER PRICE INDEX;  
6 AND TO PHASE IN APPLICATION OF THE AMENDED TAX LIMITATION  
7 CALCULATION.  
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10 THE ANCHORAGE ASSEMBLY ORDAINS:

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12 **Section 1.** Anchorage Municipal Code section 12.25.040, Computation of maximum  
13 attainable tax revenue amount, is hereby amended to read as follows (*language*  
14 *indicating no amendment is included for context only*):  
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16 **12.25.040 Computation of maximum attainable tax revenue amount.**

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18 The estimate of maximum attainable tax revenue (next year revenue available) is  
19 computed for the next fiscal year according to the following procedures:  
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21 A. Define the tax increase escalation amount, (L):

22  $L = (T - d - e) \times (1 + C + P)$  where:

23  
24 1. L is the allowable tax increase due to population and inflation  
25 growth factors.  
26

27 2. T is the total amount of real property, and personal property taxes,  
28 auto fees, all payments in lieu of taxes from any municipal utility,  
29 department, agency, public corporation, or enterprise authority, and state  
30 and federal payments in lieu of taxes levied in the current fiscal year in  
31 current-year dollars. For tax year 2010 only, one-third of the municipal  
32 utility service assessment (MUSA) payments and one-third of the  
33 municipal enterprise service assessment (MESA) payments shall be  
34 included in the calculation. For tax year 2011 only, two-thirds of the  
35 MUSA and MESA payments shall be included in the calculation. By tax  
36 year 2012, the phase-in shall be complete and the full amount of MUSA  
37 and MESA payments shall be included in the calculation.  
38

3. d is the total amount of municipal tax levied in the current fiscal year to fund the cost of judgments entered against the municipality and to pay principal or interest on bonds, including revenue bonds.

4. e is the total amount of municipal tax levied in the current fiscal year to fund the cost of emergency ordinances enacted pursuant to Charter Section 10.03.

5. C is the average percentage increase in the federal consumer price index for the municipality during the preceding five [CURRENT] fiscal years. Where more than one [SUCH] index is published for a fiscal year, that index which best reflects the change in the cost of goods and services in the municipality for the fiscal year shall be used in calculating the average percentage increase over the preceding five year period.

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B. Define exclusions in accordance with Charter Section 14.03(b)(2) and the following guidance:

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7. Estimate of next-year nonproperty taxes and fees not including auto fees, municipal utility service assessments (MUSA), or municipal enterprise service assessments (MESA).

C. The summation of the amounts defined in subsections A and B of this section defines the total tax revenue available for next year's budget planning and establishes the next fiscal year property tax required, hence the next year's mill levy.

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(AO No. 84-208(S-A); AO No. 2003-160, §§ 2, 3, 1-1-04; AO No. 2003-161, § 1, 12-16-03; AO No. 2003-164, § 1, 12-16-03; AO No. 2004-22, § 1, 2-3-04; AO No. 2005-47, § 1, 4-19-05; AO No. 2005-48, § 1, 4-19-05; AO No. 2005-49, § 1, 4-19-05)

**Section 2.** This ordinance shall become effective immediately upon its passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Municipal Clerk