

Submitted by: ASSEMBLY MEMBERS GRAY-
JACKSON, DRUMMOND AND
GUTIERREZ

Reviewed by: Assembly Counsel's Office
For reading: October 27, 2009

CLERK'S OFFICE

APPROVED

Date: 10-27-09

Vetoed 11-2-09; No Action Taken
11-23-09

ANCHORAGE, ALASKA
AR NO. 2009-270

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY RELATING TO
POTENTIAL REVENUE SHARING BY THE STATE OF ALASKA IN 2010.**

WHEREAS, the Alaska State Legislature is considering municipal revenue sharing as part of the 2010-2011 state budget; and

WHEREAS, if the Legislature approves a revenue sharing appropriation, the Municipality of Anchorage will participate in the revenue sharing program along with other communities; and

WHEREAS, the Municipality of Anchorage relies heavily on property taxes to fund the municipal budget; and

WHEREAS, in these unprecedented financial times, it is incumbent upon the Municipality of Anchorage to fully fund and balance the municipal budget through cost reduction measures while minimizing the burden on taxpayers;

NOW, THEREFORE, the Anchorage Assembly resolves that:

Section 1. If the Alaska State Legislature approves a revenue sharing appropriation for the fiscal year 2010-2011 budget, and if the Governor approves the revenue sharing appropriation so that funds are made available to the Municipality of Anchorage in 2010, all such revenue sharing funds will be applied to property tax relief with none of the funds being applied to additional expenditures within the 2010 Municipal budget, or to resolve any 2010 Municipal budget deficit.

Section 2. All state revenue sharing appropriations shall be applied to reduce property taxes in a manner such that the revenue sharing does not impact the municipal tax cap calculation.

PASSED AND APPROVED by the Anchorage Assembly this 27th day of October, 2009.


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE

No action taken 11/22/09



M.O.A.

Office of the Mayor

Mayor Dan Sullivan

2009 NOV -2 PM 2:26 907-343-7100

CLEARING OFFICE FAX: 907-343-7180

Municipality of Anchorage

Office of the Mayor

MEMORANDUM

Date: November 2, 2009

To: Anchorage Assembly
Debbie Ossiander, Chair

From: Dan Sullivan, Mayor *Dan Sullivan*

Subject: Veto of AR 2009-270 - *Amended*

Pursuant to the authority vested in me by Charter section 5.02(c), I hereby veto AR 2009-270, approved by the Assembly at their regular meeting of October 27, 2009.

The reasons for this veto are:

1. While the Assembly resolution purports to reduce property taxes, it increases the 2011 tax cap by nearly \$11 million over what is proposed by the Administration to be collected in 2010, which increases the tax cap in perpetuity. For nearly twenty five years since its inception, the amount actually collected in property taxes was the basis for calculating the tax cap for the following year. AR 2009-270 does not comply with that long standing interpretation.
2. The Assembly resolution creates a budget deficit of over \$4.2 million as compared to the Administration's balanced budget. In a separate measure, the Assembly indicated its intention to raise the property taxes collected by the school district to make up this difference. Yet, they indicated the taxes collected from the school district would be used to offset expenditures incurred by the Municipality on behalf of the district, of which only an additional \$1.2 million can be identified. Thus, a deficit of at least \$3 million would still remain, resulting in significant additional cuts to city services.