

**1992 General Government Operating Budget**

**APPENDIX F**

**EXPLANATION OF TAXING DISTRICT MILL LEVIES**

The Municipality of Anchorage operates under a "service area concept" whereby taxpayers in different areas or taxing districts of the Municipality pay property taxes only for those services which they vote to receive within the district. Some services provided by the Municipality must be offered on an "areawide" basis under state law. These include education, planning and zoning, property assessment, and tax collection. Other services require voter approval -- these include road maintenance, police and fire protection and parks and recreation. This "service area concept" gives the taxpayers more control over the types and levels of service for which they are taxed.

The mill levy of a service area is computed in four steps:

|                                       |   |                                     |           |                                   |
|---------------------------------------|---|-------------------------------------|-----------|-----------------------------------|
| 1. Total Direct Costs of Service Area | ÷ | Net Intragovernmental Charges       | =         | Function Cost of Service Area     |
| 2. Function Cost of Service Area      | - | Program Revenues of Service Area    | =         | Net Program Cost of Service Area  |
| 3. Net Program Cost of Service Area   | - | Other Revenues Allocated to Service | =         | Tax Requirement of Service Area   |
| 4. Tax Requirement of Service Area    | ÷ | Assessed Value of Service Area      | x 1,000 = | Mill Rate (Levy) for Service Area |

Each service within the taxing district has its own mill rate. The sum of these service mill rates within a taxing district comprises the mill rate by which taxes are levied. The table below shows how one taxing district mill levy has been computed for 1992. For more detailed definitions of the terms used here, consult the Glossary of Terms in the Budget Overview Section.

**CALCULATION OF MULDOON TAXING DISTRICT MILL LEVY**

| Service Area (Services Approved by Muldoon Taxing District Voters) | Function Cost of Service Area | Program Revenues of Service Area | Other Revenues Allocated to Service Area | Tax Requirement of Service Area | Estimated Assessed Valuation of Service Area (\$000's) | Approved Mill Levy of Service Area |
|--|-------------------------------|----------------------------------|--|---------------------------------|--|------------------------------------|
| Areawide   | \$68,105,780                  | \$12,934,950                     | \$33,492,730                             | \$21,678,100                    | \$10,224,057   | 2.12                               |
| Fire   | 24,136,610                    | 195,000                          | 7,058,060                                | 16,883,550                      | 9,641,639  | 1.75                               |
| Road   | 34,062,580                    | 2,089,550                        | 7,511,120                                | 24,461,910                      | 8,192,682  | 2.99                               |
| Police   | 42,231,540                    | 1,564,510                        | 10,307,500                               | 30,359,530                      | 8,345,854  | 3.64                               |
| Parks & Recreation   | 11,321,670                    | 1,753,410                        | 3,058,390                                | 6,509,870                       | 8,970,296  | .73                                |
| Road Debt Service  | 2,309,110                     | 148,000                          | 433,720                                  | 1,727,390                       | 4,223,304  | .41                                |
| Building Safety  | 2,392,410                     | 2,190,540                        | 7,820                                    | 194,050                         | 8,970,248  | .02                                |
| Total Mill Levy - General Government                               |                               |                                  |  |                                 |  | 11.66                              |
| Total Mill Levy - School District                                  |                               |                                  |  |                                 |  | 6.25*                              |
| Total Levy for Muldoon Residents                                   |                               |                                  |  |                                 |  | 17.91                              |

\* School District mill levy assumed rate to be the same as 1991 (6.25 mills).