

CLERK'S OFFICE
AMENDED AND APPROVED

Date: 3-2-10

Submitted by: ASSEMBLY MEMBERS OSSIANDER
AND SELKREGG

Prepared by: Assembly Counsel

For reading: March 2, 2010

ANCHORAGE, ALASKA
AR NO. 2010-88, Amended

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY IN OPPOSITION TO
NEW UNFUNDED PROPERTY TAX EXEMPTIONS.**

WHEREAS, throughout Alaska, the main source of revenue for municipalities and boroughs falls on the shoulders of the property owners located within each local governing unit, through an ad valorem system of property taxation; and

WHEREAS, since 1984 Anchorage has provided property tax exemptions for senior citizens and disabled veterans as set out in state law under AS 29.45.030(e); and

WHEREAS, legislation that created these property tax exemptions advised that the State would reimburse cities for this mandatory exemption; and

WHEREAS, Anchorage has not received reimbursement since 1996, and has absorbed this cost forcing Anchorage taxpayers to foot the bill of \$160 Million in lost revenue; and

WHEREAS, when the law was enacted Anchorage had 1,665 qualifying citizens, and now the number of qualifying citizens has increased to about 10,000; and

WHEREAS, these property tax exemptions total Anchorage lost annual revenue of \$21,441,080 in unfunded mandate, up to 8.43% of last year's property values, from these property tax exemptions; and

WHEREAS, once revenue needs are set, any property tax exemption that reduces the amount of taxable value will cause the mill rate to go up; and

WHEREAS, our city is already feeling the impact of significant cuts to local services and does not desire to increase the taxes of other citizens to compensate for an unfunded state mandate;

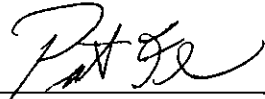
NOW THEREFORE BE IT RESOLVED that the Anchorage Assembly believes senior citizens and disabled veterans deserve property tax exemptions, but opposes unfunded state mandates for property tax exemptions and believes local communities should determine what exemptions work best for their citizens.

NOW THEREFORE BE IT FURTHER RESOLVED, that the Anchorage Assembly requests the Anchorage Legislative Caucus to work together to ensure:

1. That the Alaska State Legislature does not approve unfunded mandates; and
2. That State of Alaska follows through on its commitment to reimburse the Municipality of Anchorage for the \$160 million lost revenues due to the state

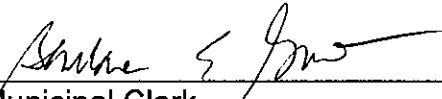
mandatory property tax exemptions.

PASSED AND APPROVED by the Anchorage Assembly this 2nd day of March, 2010.



Chair

ATTEST:



Municipal Clerk

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