



MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
No. AM 75-2011

Meeting Date: February 1, 2011

1 **From:** Assembly Member Gray-Jackson
2 **Subject:** **AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY**
3 **AMENDING ANCHORAGE MUNICIPAL CODE SECTION 12.25.040 TO**
4 **CLARIFY THE BASE AMOUNT TO BE USED FOR CALCULATING THE**
5 **NEXT YEAR'S TAX INCREASE LIMITATION CONSISTENT WITH**
6 **CHARTER SECTION 14.03.**
7

8 The Tax Cap increase limitation is set out in Charter §14.03 and codified by Assembly
9 Ordinance in AMC Chapter 12.25. The Charter provides a guideline to define the roles
10 and responsibilities of local government and allows the legislative branch of government
11 to implement the Charter through revisions and additions to the Anchorage Municipal
12 Code.
13

14 Recent discussions by the Assembly, some involving concerned tax-payer testimony,
15 have focused on a clarification to one aspect of the Tax Cap calculation: The base
16 amount used to calculate the next year's tax increase limit.
17

18 The proposed ordinance will address the concerns of some members of the public by
19 simply amending AMC Chapter 12.25 to complement what is currently stated in the
20 Charter. Adoption of the attached ordinance will re-confirm the intent of the Charter
21 which requires that *the base amount used to calculate the next year's tax increase*
22 *limit shall be the total amount of the property taxes approved by the Assembly for*
23 *the preceding year*, and not some higher formula-driven amount.
24

25 The sponsors of this ordinance believe it is prudent and timely that the Assembly
26 undertake the requisite ordinance change without imposing, upon the citizens of
27 Anchorage, an unnecessary ballot to amend the Anchorage Charter.
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29 Respectfully submitted:

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31 Elvi Gray-Jackson

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33 Assembly Member, Section 4
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Submitted by: ASSEMBLY MEMBERS GRAY-JACKSON,
DRUMMOND AND GUTIERREZ
Reviewed by: Assembly Counsel
For reading: February 1, 2011

ANCHORAGE, ALASKA
AO NO. 2011-21

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING
2 ANCHORAGE MUNICIPAL CODE SECTION 12.25.040 TO CLARIFY THE BASE
3 AMOUNT TO BE USED FOR CALCULATING THE NEXT YEAR'S TAX INCREASE
4 LIMITATION CONSISTENT WITH CHARTER SECTION 14.03.
5

6 THE ANCHORAGE ASSEMBLY ORDAINS:
7

8 **Section 1.** Anchorage Municipal Code section 12.25.040, Taxation Increase Limitation, is
9 hereby amended to read as follows (*ordinance language indicating no amendment is*
10 *included for context only; subsections remaining without amendment are not set out*):
11

12 **12.25.040 Computation of maximum attainable tax revenue amount.**
13

14 The estimate of maximum attainable tax revenue (next year revenue available) is
15 computed for the next fiscal year according to the following procedures:
16

17 A. Define the tax increase escalation amount, (L):
18

19 $L = (T - d - e) \times (1 + C + P)$ where the base amount for calculating the next
20 year's tax increase limit shall be the total amount of the municipal taxes
21 approved by the Assembly for the preceding year and:
22

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

26 *** **

27 (AO No. 84-208(S-A); AO No. 2003-160, §§ 2, 3, 1-1-04; AO No. 2003-161, § 1, 12-
28 16-03; AO No. 2003-164, § 1, 12-16-03; AO No. 2004-22, § 1, 2-3-04; AO No. 2005-
29 47, § 1, 4-19-05; AO No. 2005-48, § 1, 4-19-05; AO No. 2005-49, § 1, 4-19-05; AO
30 No. 2009-109, § 2, 1-10-10)
31

32 **Section 2.** This ordinance shall become effective immediately upon passage and
33 approval by the Assembly.
34

35 PASSED AND APPROVED by the Anchorage Assembly this _____ day of
36 _____, 2011.
37

38 _____
39 Chair

40 ATTEST:
41

42 _____
43 Municipal Clerk
44