

Presented by: The Manager  
Introduced: 02/19/81  
Drafted by: G.L.S.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 735

A RESOLUTION URGING THE LEGISLATURE TO PASS  
SENATE BILL 125 AND STATING THE INTENT  
OF THE ASSEMBLY TO USE ITS ENTITLEMENT TO  
REDUCE PROPERTY TAXES IN THE COMING FISCAL YEAR.

WHEREAS, prior to 1978, the State of Alaska levied a business license tax and refunded to each municipality 60 percent of the revenues derived from that tax within the municipality, and

WHEREAS, in 1978 the legislature repealed the business license tax causing a loss to municipalities of this dedicated revenue, and

WHEREAS, the same legislature provided that in lieu of the business license tax revenues, the legislature would appropriate to a municipal assistance fund an amount equal to or greater than 10 percent of the corporate income tax revenue received by the State during the previous fiscal year for distribution to municipalities, and

WHEREAS, AS 43.20.016(b) and (c) provide that if sufficient funds are appropriated to the municipal assistance fund, a municipality will receive a base allocation equal to the amount it received in business license tax refunds during fiscal year 1978, and that the excess of the amount needed to make a base distribution to all municipalities would be distributed on the basis of population, and

WHEREAS, AS 43.20.016(d) sets forth the intent of the legislature that to the extent distribution to a municipality from the municipal assistance fund constitutes an increase in state aid to the municipality, the municipality will reduce property tax levies in reasonable proportion to the amount of the increase, and

WHEREAS, Senate Bill 125 which has passed the senate appropriates to the municipal assistance fund an amount which would constitute an increase in state aid, and

WHEREAS, because municipal budgets and tax levies are usually established before it is known how much state aid municipalities will receive, it is difficult or impossible for