

Presented by: The Manager
Introduced: 07/10/2000
Drafted by: J.R. Corso

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2039

A Resolution Opposing State Limitations on Local Revenues.

WHEREAS, an initiative petition application was filed with the Lieutenant Governor's office on March 12, 1999, certified on June 8, 1999, will appear on the 2000 general state election, and is generally known as the Statewide Tax Cap Initiative, and

WHEREAS, the proposed bill sets the value of property at the amount assessed on January 1 of the first year the initiative is in effect, and holds increases thereafter to 2 percent per year, and

WHEREAS, for fiscal years after 2001, the proposed bill caps property taxes for operational expenditures at one percent (10 mills) of assessed value, and

WHEREAS, after FY 2001, the proposed bill caps property taxes for all purposes at 10 mills of assessed value, and

WHEREAS, the proposed operational mill levy in the City and Borough for Fiscal Year 2002 is 10.7 mills, and

WHEREAS, the voters of the City and Borough of Juneau have used their initiative power to limit their local tax liability through a device of their own choosing: a local tax cap of 12 mills, and

WHEREAS, even with a 12-mill limit, property taxes are a major source of revenue for the City and Borough, and

WHEREAS, a 10 mill cap could mean an annual loss of \$1.6 million in property tax revenue to the City and Borough, which is more than 3 percent of the proposed CBJ general operating budget for 2002, and

WHEREAS, a 10 mill cap on property tax assessments would make it difficult for the City and Borough to sell bonds to finance future capital projects approved by voters, and could result in significant inequities in taxes paid for comparable properties within the City and Borough, and

WHEREAS, a significant loss of property tax revenue would gravely impact the capability of Juneau and other municipalities in the state to provide essential services to their citizens, and

WHEREAS, the Juneau Assembly is accountable to the people of Juneau, just as other local governments are accountable to their citizens, and

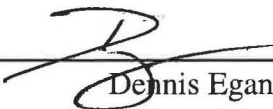
WHEREAS, this accountability should not be subject to arbitrary limits and false economies imposed by people who have never been to Juneau;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Opposition. The Assembly opposes the Statewide Sales Tax Initiative and urges the people of Alaska to reject this intrusion of state power into local affairs.

Section 2. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 10th day of July, 2000.


Dennis Egan, Mayor

Attest:


Laurie J. Sica, Clerk