

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2019-24


A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING THE RATE OF LEVY ON ASSESSED PROPERTY WITHIN THE CITY OF UNALASKA FOR FISCAL YEAR 2020

WHEREAS, Unalaska City Code § 6.28.010(B) states, "the Council shall annually by resolution establish the rate of levy on assessed property within the City"; and

WHEREAS, the Unalaska City Council reviewed options and information regarding the rate of levy.

NOW THEREFORE BE IT RESOLVED that the rate of levy on assessed property within the City of Unalaska, Alaska for Fiscal Year 2020 shall be set at 10.5 mills.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on May 14, 2019.


Frank Kelty
Mayor

ATTEST:


Marjie Veeder
City Clerk



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Through: Thomas Thomas, City Manager
Date: May 14, 2019
Re: Resolution 2019-24 establishing the rate of levy on assessed property within the City of Unalaska for Fiscal Year 2020

SUMMARY: Unalaska City Code Section 6.28.010(B) provides that “the Council shall annually by resolution establish the rate of levy on assessed property within the city. The annual rate of levy shall be determined before June 15.” By adopting Resolution 2019-24, Council will set the mill rate for FY20.

PREVIOUS COUNCIL ACTION: On May 8, 2018, through Resolution 2018-31, Council set the mill rate for FY19 at 10.5 mills.

BACKGROUND: Council sets the mill rate annually.

DISCUSSION: One component of the annual property tax cycle is setting the mill rate. This rate is applied to both real property and business personal property values. In FY92, the mill rate was reduced from 12.78 mills to 11.78 mills. It remained at 11.78 mills until FY09 when it was reduced to 10.5 mills. A mill rate of 10.5 mills equates to \$1,050 per \$100,000 in assessed valuation. The attached chart indicates the impact on property tax revenue with changes in the mill rate.

ALTERNATIVES: Council may raise or lower the mill rate, or Council may choose to maintain the rate of levy at 10.5 mills.

FINANCIAL IMPLICATIONS: The attached spreadsheet shows increases or decreases in revenue based on a change in the mill rate, using preliminary 2019 property tax values.

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2019-24.

PROPOSED MOTION: I move to adopt Resolution 2019-24.

CITY MANAGER COMMENTS: I recommend adoption of Resolution 2019-24.

PROPERTY TAX MILL RATE OPTIONS

| Rate of Levy | | Assessed Value | | Taxes | |
|--------------|---------------|--------------------|----------------------------|------------|---------------------|
| | | Real Property | Business Personal Property | Total Tax | Increase / Decrease |
| Mill Rate | Percent Rate | 433,920,858 | 243,687,026 | | |
| 5.00 | 0.500% | 2,169,604 | 1,218,435 | 3,388,039 | (3,726,843) |
| 5.50 | 0.550% | 2,386,565 | 1,340,279 | 3,726,843 | (3,388,039) |
| 6.00 | 0.600% | 2,603,525 | 1,462,122 | 4,065,647 | (3,049,235) |
| 6.50 | 0.650% | 2,820,486 | 1,583,966 | 4,404,451 | (2,710,432) |
| 7.00 | 0.700% | 3,037,446 | 1,705,809 | 4,743,255 | (2,371,628) |
| 7.50 | 0.750% | 3,254,406 | 1,827,653 | 5,082,059 | (2,032,824) |
| 8.00 | 0.800% | 3,471,367 | 1,949,496 | 5,420,863 | (1,694,020) |
| 8.50 | 0.850% | 3,688,327 | 2,071,340 | 5,759,667 | (1,355,216) |
| 9.00 | 0.900% | 3,905,288 | 2,193,183 | 6,098,471 | (1,016,412) |
| 9.50 | 0.950% | 4,122,248 | 2,315,027 | 6,437,275 | (677,608) |
| 10.00 | 1.000% | 4,339,209 | 2,436,870 | 6,776,079 | (338,804) |
| 10.50 | 1.050% | 4,556,169 | 2,558,714 | 7,114,883 | - |
| 11.00 | 1.100% | 4,773,129 | 2,680,557 | 7,453,687 | 338,804 |
| 11.50 | 1.150% | 4,990,090 | 2,802,401 | 7,792,491 | 677,608 |
| 11.78 | 1.178% | 5,111,588 | 2,870,633 | 7,982,221 | 867,338 |
| 12.00 | 1.200% | 5,207,050 | 2,924,244 | 8,131,295 | 1,016,412 |
| 12.50 | 1.250% | 5,424,011 | 3,046,088 | 8,470,099 | 1,355,216 |
| 13.00 | 1.300% | 5,640,971 | 3,167,931 | 8,808,902 | 1,694,020 |
| 13.50 | 1.350% | 5,857,932 | 3,289,775 | 9,147,706 | 2,032,824 |
| 14.00 | 1.400% | 6,074,892 | 3,411,618 | 9,486,510 | 2,371,628 |
| 14.50 | 1.450% | 6,291,852 | 3,533,462 | 9,825,314 | 2,710,432 |
| 15.00 | 1.500% | 6,508,813 | 3,655,305 | 10,164,118 | 3,049,235 |
| 15.50 | 1.550% | 6,725,773 | 3,777,149 | 10,502,922 | 3,388,039 |
| 16.00 | 1.600% | 6,942,734 | 3,898,992 | 10,841,726 | 3,726,843 |
| 16.50 | 1.650% | 7,159,694 | 4,020,836 | 11,180,530 | 4,065,647 |
| 17.00 | 1.700% | 7,376,655 | 4,142,679 | 11,519,334 | 4,404,451 |
| 17.50 | 1.750% | 7,593,615 | 4,264,523 | 11,858,138 | 4,743,255 |
| 18.00 | 1.800% | 7,810,575 | 4,386,366 | 12,196,942 | 5,082,059 |
| 18.50 | 1.850% | 8,027,536 | 4,508,210 | 12,535,746 | 5,420,863 |
| 19.00 | 1.900% | 8,244,496 | 4,630,053 | 12,874,550 | 5,759,667 |
| 19.50 | 1.950% | 8,461,457 | 4,751,897 | 13,213,354 | 6,098,471 |
| 20.00 | 2.000% | 8,678,417 | 4,873,741 | 13,552,158 | 6,437,275 |

Example: Homeowner with assessed value of \$200,000 at the current rate of 10.5 mills

| Mill Rate | Percent Rate | Assessed Value | Tax |
|-----------|--------------|----------------|----------|
| 10.5 | 1.050% | \$ 200,000 | \$ 2,100 |