

1 By: FNSB Assembly
2 Introduced: 08/11/2016
3 Adopted: 08/11/2016
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6 FAIRBANKS NORTH STAR BOROUGH

7
8 RESOLUTION NO. 2016-38
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10 A RESOLUTION APPROVING INFORMATION OF A STRICTLY FACTUAL NATURE
11 PERTAINING TO THE MAXIMUM ALLOWABLE TAX REVENUES INITIATIVE
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14 WHEREAS, the Assembly of the Fairbanks North Star Borough adopted
15 Ordinance 2013-55 on July 25, 2013, establishing election procedures for Informational
16 Inserts for Initiatives and Referendums; and
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18 WHEREAS, FNSBC 5.16.050 mandates the borough clerk publish an
19 insert in the Fairbanks Daily News-Miner containing information approved by the
20 assembly of a strictly factual nature pertaining to each initiative or referendum on the
21 ballot; and
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23 WHEREAS, the borough clerk certified an initiative Establishing Maximum
24 Allowable Tax Revenues on September 14, 2015, for placement before the voters of the
25 Fairbanks North Star Borough on October 4, 2016.
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27 NOW, THEREFORE, BE IT RESOLVED the Assembly of the Fairbanks
28 North Star Borough approves the following strictly factual information to be included in
29 an informational insert regarding the initiative Establishing Maximum Allowable Tax
30 Revenues:
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32 1. The Ordinance Establishing Maximum Allowable Tax Revenues,
33 generally referred to as the Revenue Tax Cap, was first established by initiative in 1987
34 and remains in effect.
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36 2. This tax law limits the total amount of tax that may be levied or
37 imposed by the Borough government. Under this tax cap, the total amount of tax levied
38 during a tax year cannot exceed the total amount levied for the preceding tax year,
39 adjusted for inflation with certain defined exclusions.
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41 3. For computational purposes, the tax levy is adjusted for new
42 construction, additional voter-approved services, new judgments against the Borough,
43 special appropriations necessary on an emergency basis, certain hotel-motel taxes
44 transferred to the hotel-motel room tax fund (used primarily to fund tourism marketing),
45 and any amount withdrawn from the general fund's fund balance in the preceding year if
46 designated by the Assembly as a reduction to the property tax levy. Furthermore, the

47 limitation applies to all taxing authorities, but does not apply to any levy used for
48 payment on bonds.

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50 4. By Alaska Statute, voter reconfirmation of this ordinance bars the
51 Assembly from overriding or otherwise changing the cap for a two-year period.

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53 BE IT FURTHER RESOLVED, The Fairbanks North Star Borough Code
54 underwent a recodification on July 15, 2016, which was after the petition was certified
55 but before the election, therefore, the Ordinance as submitted has been changed to
56 reflect that section 3.08.141 is now 8.04.290 and section 3.08.142 is now 8.04.300;

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58 BE IT FURTHER RESOLVED at the election to be held in the Borough on
59 October 4, 2016, the Borough will submit to the qualified voters the following
60 proposition:

61
62 PROPOSITION

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64 ORDINANCE REENACTING FNSB CODE 8.04.290 AND 8.04.300, THE
65 MAXIMUM ALLOWABLE TAX REVENUES INITIATIVE

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67 “Shall sections 8.04.290 and 8.04.300 of the Fairbanks North Star Borough Code
68 (FNSBC) of Ordinances be reenacted?” These sections will provide for limitations on
69 the maximum allowable tax revenues for the Fairbanks North Star Borough. Under
70 section 8.04.290 the borough will be able to levy or impose only the same amount of
71 taxes for one fiscal year as the borough levied or imposed for the preceding year,
72 except that the borough can increase the amount of taxes levied or imposed (a) to
73 adjust for inflation; (b) to take into account new buildings and land coming onto the tax
74 rolls; (c) make new payments on bonds; (d) pay for services approved by voters; (e) pay
75 for new legal judgments entered against the borough; and to pay for expenses in
76 emergencies. Section 8.04.300 provides a formula and definitions for the limitations of
77 section 8.04.290.

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79 YES A “**Yes**” vote reenacts the FNSBC Sections 8.04.290 and
80 8.04.300, which limits the maximum allowable tax revenues for the
81 borough. If reenacted it may not be modified or negated within two
82 years.

83
84 NO A “**No**” vote means the initiative will be defeated. The current
85 revenue cap in the FNSB Code of Ordinances will remain in effect
86 however, it can now be modified or negated by the assembly.

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88 Section 3. Effective Date. This Resolution shall become effective
89 immediately upon adoption.

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PASSED AND APPROVED THIS 11TH DAY OF AUGUST, 2016.

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John Davies
Presiding Officer

ATTEST:



Nanci Ashford-Bingham, MMC
Borough Clerk

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Yeses: Cooper, Sattley, Hutchison, Westlind, Roberts, Lawrence, Quist, Davies
Noes: None
Other: Dodge (Excused)