

**FY 2005-2006 Budget
Fairbanks North Star Borough**

Revenue

The Fairbanks North Star Borough receives revenue from many different sources. The principal sources of revenue are property taxes and revenue received from the State of Alaska.

In October of 1987, Borough voters adopted a Tax Cap Ordinance that provided for a maximum tax revenue that may be generated by the Borough government. The 1988–89 fiscal year was the initial year of the implementation of the property tax cap. The tax cap initiative was reaffirmed by the voters in October of 1989, and by an advisory vote in October of 1991, again reaffirmed by the voters in October of 1993. In addition, a slight modification was approved that allows the cap to be increased by voter approval for existing services as well as new services. In October of 1996, voters approved a change in the maximum tax cap code to include all tax revenues. The voters reaffirmed the tax cap initiative in October of 2000, October 2002 and in October of 2004.

The Borough administration continues to evaluate alternative revenues to support Borough programs in the community. In FY 1993, a transient room tax (hotel/motel, bed & breakfasts, etc.) was enacted. In October 2003, the Borough voters approved the levy of an alcoholic beverage sales tax. In April 2004, the Borough Assembly approved of the levy of a tobacco distribution excise tax. Based on actual revenue in FY 2005, additional adjustments to estimated revenues and fee increases have been incorporated into the FY 2006 budget.

This section provides a view of revenues, both at summary level and detail level. The assumptions, which are used to base the year's revenue estimates (FY 2006), are given in the revenue detail narrative. This section also contains the historical and current data on assessed valuations and mill levies for the taxing districts.