


TRANSMITTAL MEMORANDUM

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TO: The Honorable Mayor & City Council

FROM: Delilah A. Walsh, City Manager Initials: 

DATE: May 24, 2024 File #: MGR24-354

RE: **Resolution No. 24-2926, Levying a General Property Tax for Municipal Purposes Upon all Real and Business Personal Property in the City for the Year 2024; Providing for the Collection of Taxes Due in 2024; Prescribing Penalties and Interest for Delinquent Taxes; and Establishing an Effective Date**

The attached resolution was prepared by Finance Director Michelle Johansen, who requested that it be placed before the City Council for consideration at its meeting of June 6, 2024. If adopted by the City Council, Resolution No. 24-2926 provides for maintaining the 2024 mill levy at 6.6 mills. The rationale for adopting the 6.6 mill levy is detailed in Ms. Johansen's transmittal memorandum and requires little elaboration on the part of my office.

The Finance Director's recommendation to maintain the current rate and level of taxation is in line with the programmed budget rate, and it will help to ensure that the City of Ketchikan can continue to provide essential services to its residents. I concur with her recommendation.

Please note that the property tax mill levy has remained unchanged and may be a topic of discussion during the FY25 budget planning process.

A motion has been prepared for City Council consideration.

Recommended Motion: I move the City Council approve Resolution No. 24-2926 levying a general property tax for municipal purposes upon all real and business personal property in the City for the year 2024; providing for the collection of taxes due in 2024; prescribing penalties and interest for delinquent taxes; and establishing an effective date.

MEMORANDUM
CITY OF KETCHIKAN, ALASKA
Finance Department
Office of the Finance Director

Michelle Johansen, Finance Director
Meghan Traudt, Financial Analyst
Phone: (907) 228-5621
Facsimile: (907) 228-5617

To: Delilah A. Walsh, City Manager/KPU General Manager

From: Michelle Johansen, Finance Director

Date: May 17, 2024

Subject: **Resolution No. 24-2926, Levying a General Property Tax for Municipal Purposes Upon all Real and Business Personal Property in the City for the Year 2024; Providing for the Collection of Taxes Due in 2024; Prescribing Penalties and Interest for Delinquent Taxes; and Establishing an Effective Date**

The Ketchikan Gateway Borough Assessor has determined that the value of all taxable real and business personal property located in the City as of January 1, 2024 is \$982,271,200. This is an increase of \$69,112,700, or 7.6%, over last year's certified taxable assessment roll of \$913,158,500. On May 6, 2024, the Ketchikan Gateway Borough Board of Equalization approved the 2024 Real Property and Business Property Certified Report as prepared by the Borough Assessor. A copy of the 2024 Real Property and Business Property Certified Report is enclosed for your review. The table below compares the assessment roll for 2024 with 2023.

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Certified Taxable Assessment Roll:			
Real Property	\$920,563,200	\$851,296,500	\$69,266,700
Business Personal Property	<u>61,708,000</u>	<u>61,862,000</u>	<u>(154,000)</u>
Total Certified Taxable Assessment Roll	<u>982,271,200</u>	<u>913,158,500</u>	<u>69,112,700</u>
Mandatory Exemptions:			
Senior Citizen	82,078,500	81,022,300	1,056,200
Veterans	<u>1,749,900</u>	<u>1,695,300</u>	<u>54,600</u>
Total Mandatory Exemption	<u>83,828,400</u>	<u>82,717,600</u>	<u>1,110,800</u>
Total Property Value	<u>\$ 1,066,099,600</u>	<u>\$ 995,876,100</u>	<u>\$ 70,223,500</u>

The value of the taxable assessment roll and the mill rate established by the City Council determine the amount of property tax revenues the City will collect from property owners. With the adoption of the 2024 Budget, the City projected a taxable assessment roll of \$982,271,200, a mill rate of 6.6 and property tax revenues of \$6,482,990. The table below compares actual property tax revenues with projected property tax revenues.

	2024 Per Certified Roll	2024 Budgeted/ Projected	Increase (Decrease)
Real Property	\$ 920,563,200	\$ 919,578,204	\$ 984,996
Business Personal Property	61,708,000	62,952,274	(1,244,274)
Total Assessment Roll	<u>\$ 982,271,200</u>	<u>\$ 982,530,478</u>	<u>\$ (259,278)</u>
Property Tax Revenue	<u>\$ 6,482,990</u>	<u>\$ 6,484,702</u>	<u>\$ (1,712)</u>

If the mill rate remains at 6.6, the amount proposed with the adoption of the 2024 Budget, the City is expected to receive \$6,482,990 in property tax revenues in 2024, a decrease of \$1,712 over the amount projected for 2024. This minor decrease occurred because assessed values for business personal property located within the City came in lower than originally projected.

An increase of one mill raises \$982,271 in property tax revenues and a tenth of a mill raises \$98,227 in property tax revenues. A 20-year schedule of assessed property values and mill rates accompanies this memorandum. Currently, the average assessed value of a single-family residence located in the City is about \$263,800. There are about 1,651 single family residences located within City limits. If the City Council chooses to hold the mill rate at 6.6, property taxes on the average residence would be \$1,741.

Alaska Statutes 29.45.560 require that the property tax levy be set on or before June 15.

Recommended Motion:

I move that City Council approve Resolution No. 24-2926 levying a general property tax for municipal purposes upon all real and business personal property in the City for the year 2024; providing for the collection of taxes due in 2024; prescribing penalties and interest for delinquent taxes; and establishing an effective date.

RESOLUTION NO. 24-2926

A RESOLUTION OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA LEVYING A GENERAL PROPERTY TAX FOR MUNICIPAL PURPOSES UPON ALL REAL AND BUSINESS PERSONAL PROPERTY IN THE CITY FOR THE YEAR 2024; PROVIDING FOR THE COLLECTION OF TAXES DUE IN 2024; PRESCRIBING PENALTIES AND INTEREST FOR DELINQUENT TAXES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Council of the City of Ketchikan exercises its power to levy and collect general property taxes as provided in Ketchikan Municipal Code Section 3.20.010; and

WHEREAS, Alaska Statute 29.45.240 requires that a municipality annually determine the rate of levy and the date when taxes become delinquent by resolution no later than June 15; and

WHEREAS, in accordance with AS 29.45.240, the Council now wishes to set the 2024 tax year rate of the levy and date when taxes become delinquent.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska as follows:

Section 1: There is hereby levied upon all taxable real and business personal property in the City of Ketchikan, Alaska, except such property as is exempt by law from taxation, a general property tax of 6.6 mills for municipal purposes for the year 2024 based upon the certified taxable assessment roll in the amount of \$920,563,200 or such amount as may hereafter be stated in any supplemental assessment roll by the Ketchikan Gateway Borough Assessor, provided the amount of taxes levied and collected on automobiles shall not exceed the limit established by law.

Section 2: The billing date for taxes levied pursuant to the provisions of this resolution shall be July 1, 2024. Those taxes shall become due on September 30, 2024 and shall be delinquent unless paid before 5:00 p.m. local time, September 30, 2024. Payments may be accepted based on a timely postmark only if the return receives a United States Postal Service cancellation on or before the due date.

Section 3: Taxes remaining unpaid after the delinquent date shall be collected and have penalties and interest added thereto in accordance with the law.

Section 4: This resolution is effective immediately upon passage and approval.

PASSED AND APPROVED THIS 6th day of June, 2024.

David Kiffer, Mayor

ATTEST:

Kim Stanker, City Clerk



2024 CERTIFIED ROLL REAL & BUSINESS PERSONAL PROPERTY



The Assessment Department is responsible for assessing approximately 6,989 taxable properties within the boundaries of the Ketchikan Gateway Borough. It also assesses approximately 611 accounts of personal property within the City of Ketchikan. The Department administers all State and Borough exemptions set forth in State Statutes and Borough Code. Further, the Department maintains property records, which includes information regarding ownership, address, assessed value, and legal property descriptions. This Certified Report is subject to minor revisions. Some changes in the Certified Report may occur as a result of updates, corrections and changes in exemption status. Any changes that occur are documented and available for review throughout the year.

REAL PROPERTY CERTIFIED REPORT:

Real Property Three Year Taxable Value History by Tax District
Land and Improvement Values by Tax District

Page 2

Page 3

REFERENCE INFORMATION:

Senior and Veteran Report
Senior and Veteran Exemption Amount and Count (Chart)
Historical Assessed Value Ratio & Top Ten Taxpayers (Chart)
Assessed Values for Borough & COK (Chart)

Page 4

Page 5

Page 6

Page 7

BUSINESS PERSONAL PROPERTY CERTIFIED REPORT:

Business Personal Property Three Year Taxable Value
History by Tax District
Business Personal Taxable Value (Chart)

Page 8

Page 9



Adam Thompson

Adam Thompson, Director of Assessment

The Assessment Department's primary mission is to administer property assessments that are fair, uniform, and equitable.

PRELIMINARY REPORT

REAL PROPERTY THREE YEAR TAXABLE VALUE HISTORY BY TAX DISTRICT

		CURRENT YEAR CHANGE	2024 PRELIMINARY	2023 CERTIFIED	2022 CERTIFIED
CITY OF KETCHIKAN	Tax Area	8.1%	920,563,200	851,296,500	831,338,800
CITY OF KETCHIKAN	01	8.1%	920,563,200	851,296,500	831,338,800
CITY OF SAXMAN	Tax Area	40.5%	33,728,200	24,006,300	23,696,000
CITY OF SAXMAN	85	40.5%	33,728,200	24,006,300	23,696,000
SERVICE AREAS NORTH: Districts 31-36	Tax Area	9.9%	541,925,400	493,316,600	467,044,900
NORTH TONGASS FIRE/EMS (excl 33,36)	31	9.8%	517,722,700	471,518,400	446,738,600
WATERFALL AREA	33	11.4%	12,051,800	10,820,600	10,566,600
MUD BIGHT AREA	36	10.7%	12,150,900	10,977,600	9,739,700
SERVICE AREAS SOUTH: Districts 70-77	Tax Area	9.2%	260,146,400	238,229,800	227,964,700
SOUTH TONGASS FIRE (excl 71-77)	70	9.9%	188,208,000	171,215,300	163,359,800
FOREST PARK AREA	71	7.7%	41,017,800	38,070,500	36,821,100
GOLD NUGGET AREA	73	6.4%	11,320,100	10,640,000	10,186,400
GOLD NUGGET/HOMESTEAD AREA	74	12.8%	4,400	3,900	3,900
HOMESTEAD AREA	75	6.6%	15,702,000	14,734,200	14,051,000
OLD DAIRY AREA	76	5.3%	3,482,000	3,307,800	3,284,400
NICHOLS VIEW AREA	77	59.7%	412,100	258,100	258,100
SERVICE AREAS OUTLYING	Tax Area	9.1%	7,357,500	6,746,300	6,106,500
VALLENAR BAY AREA	58	6.7%	1,202,800	1,127,500	1,132,800
LORING AREA	65	4.2%	1,027,800	986,800	941,800
DEEP BAY AREA	67	5.9%	545,400	514,800	496,800
LONG ARM AREA	68	11.3%	4,581,500	4,117,200	3,535,100
REMAINDER OF BOROUGH	Tax Area	6.3%	56,410,500	53,078,600	51,594,700
REMAINDER OF BOROUGH	30	6.3%	56,410,500	53,078,600	51,594,700
NONAREAWIDE - 30 to 77		9.4%	865,839,800	791,371,300	752,710,800
BOROUGH TOTALS <i>Cities plus Nonareawide</i>		9.2%	1,820,131,200	1,666,674,100	1,607,745,600
<i>Current year dollar change</i>			\$153,457,100		

PRELIMINARY REPORT 2024

LAND AND IMPROVEMENT VALUES BY TAX DISTRICT

AREA	NO OF PARCELS ASSESSED ACREAGE		LAND	BUILDING	TOTAL
CITY OF KETCHIKAN	3,204	1,216	282,547,400	638,015,800	920,563,200
CITY OF KETCHIKAN	3,204	1,216	282,547,400	638,015,800	920,563,200
CITY OF SAXMAN	143	60	9,188,700	24,539,500	33,728,200
CITY OF SAXMAN	143	60	9,188,700	24,539,500	33,728,200
SERVICE AREAS NORTH: Districts 31-36	1,814	1,854	172,049,600	369,875,800	541,925,400
NORTH TONGASS FIRE/EMS (excl 33,36)	1,661	1,736	164,901,300	352,821,400	517,722,700
WATERFALL AREA	45	55	3,454,400	8,597,400	12,051,800
MUD BIGHT AREA	108	63	3,693,900	8,457,000	12,150,900
SERVICE AREAS SOUTH: Districts 70-77	951	788	83,220,300	176,926,100	260,146,400
SOUTH TONGASS FIRE (excl 71-77)	671	603	62,769,800	125,438,200	188,208,000
FOREST PARK AREA	146	61	10,614,300	30,403,500	41,017,800
GOLD NUGGET AREA	29	23	2,802,900	8,517,200	11,320,100
GOLD NUGGET/HOMESTEAD AREA	1	0	4,400	0	4,400
HOMESTEAD AREA	44	57	4,898,400	10,803,600	15,702,000
OLD DAIRY AREA	11	11	1,718,400	1,763,600	3,482,000
NICHOLS VIEW AREA	49	32	412,100	0	412,100
SERVICE AREAS OUTLYING	164	304	4,626,600	2,730,900	7,357,500
VALLENAR BAY AREA	67	120	1,078,000	124,800	1,202,800
LORING AREA	18	7	440,400	587,400	1,027,800
DEEP BAY AREA	8	11	389,900	155,500	545,400
LONG ARM AREA	71	166	2,718,300	1,863,200	4,581,500
REMAINDER OF BOROUGH	713	15,595	28,181,800	28,228,700	56,410,500
REMAINDER OF BOROUGH	713	15,595	28,181,800	28,228,700	56,410,500
BOROUGH TOTALS	6,989	19,816	579,814,400	1,240,316,800	1,820,131,200

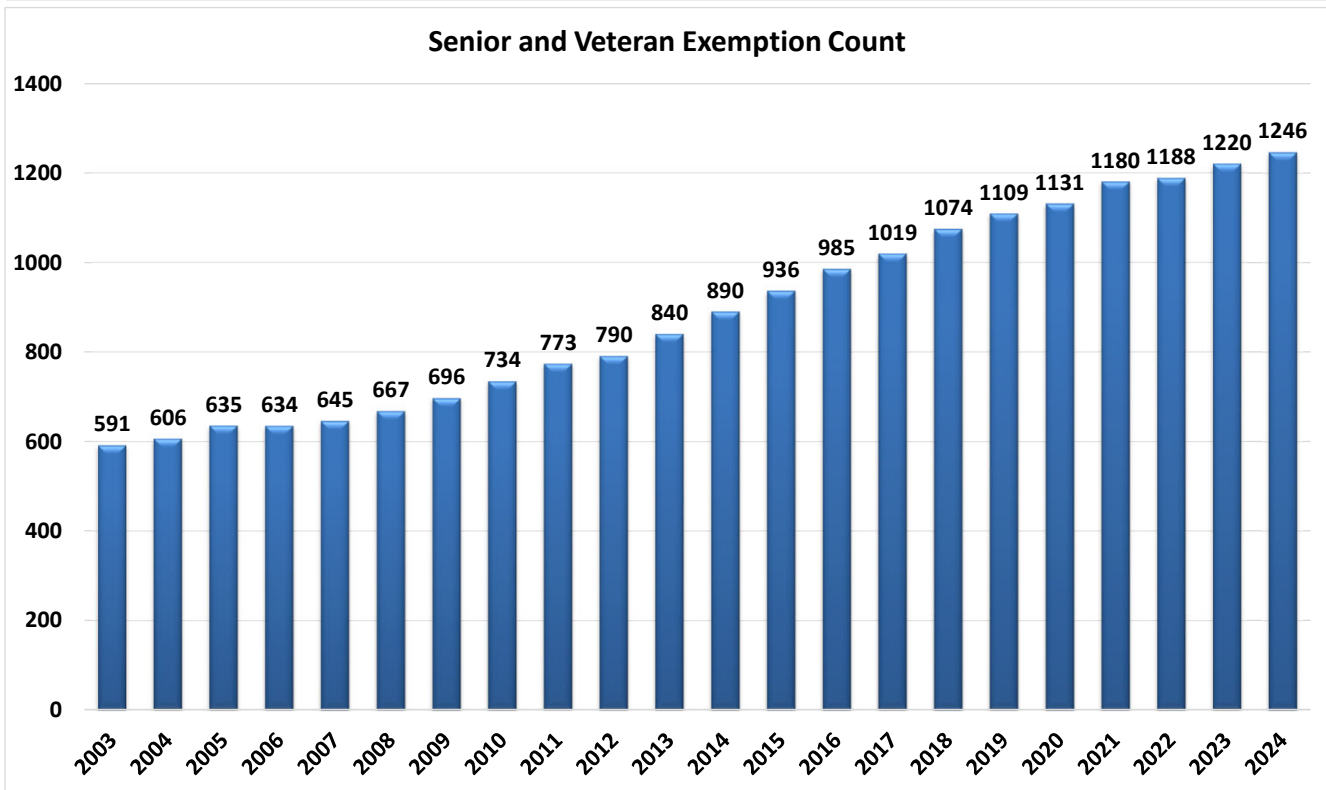
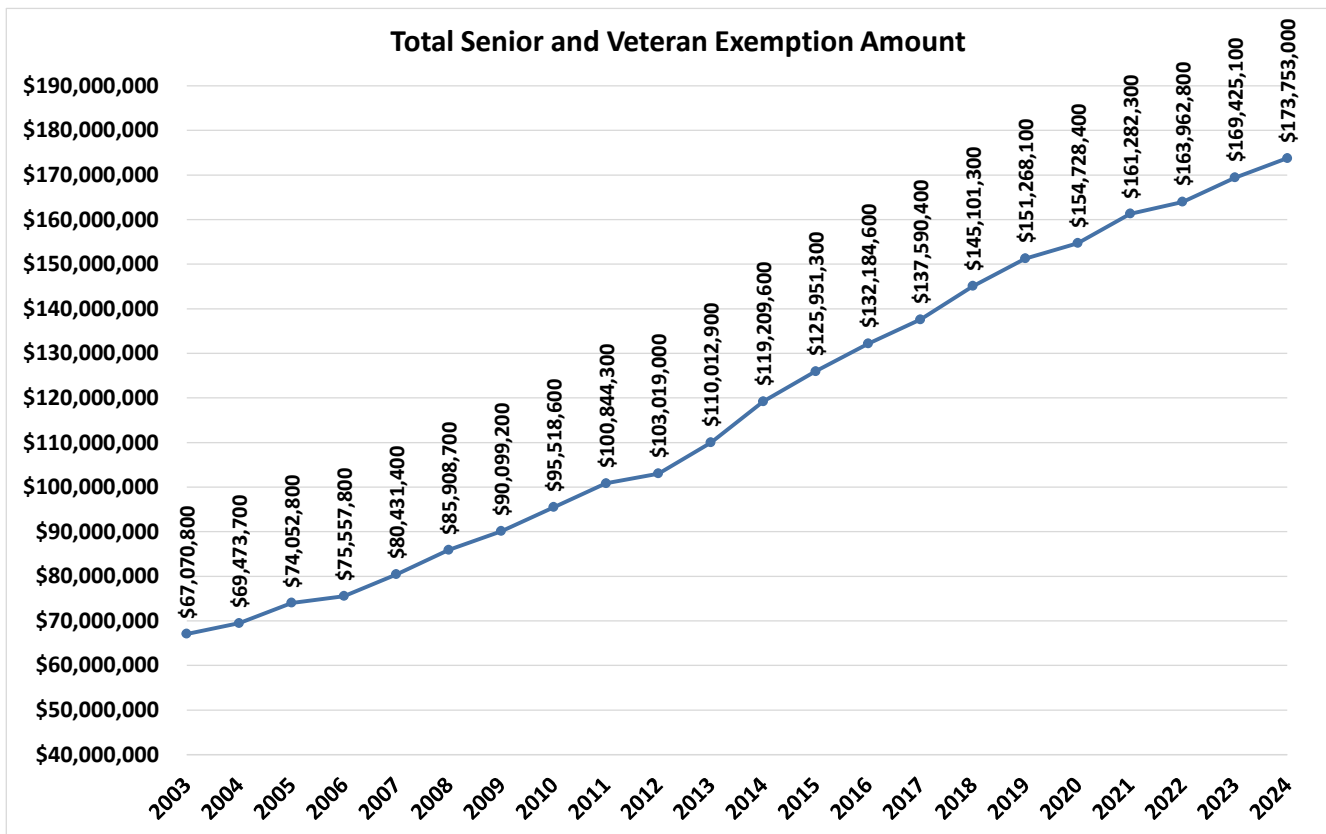
Personal property is exempted by Borough Code 4.45.11.080 (b)(3) is exempt from Borough taxation.
 Personal property taxed by the City of Ketchikan is on a separate assessment roll.

PRELIMINARY REPORT

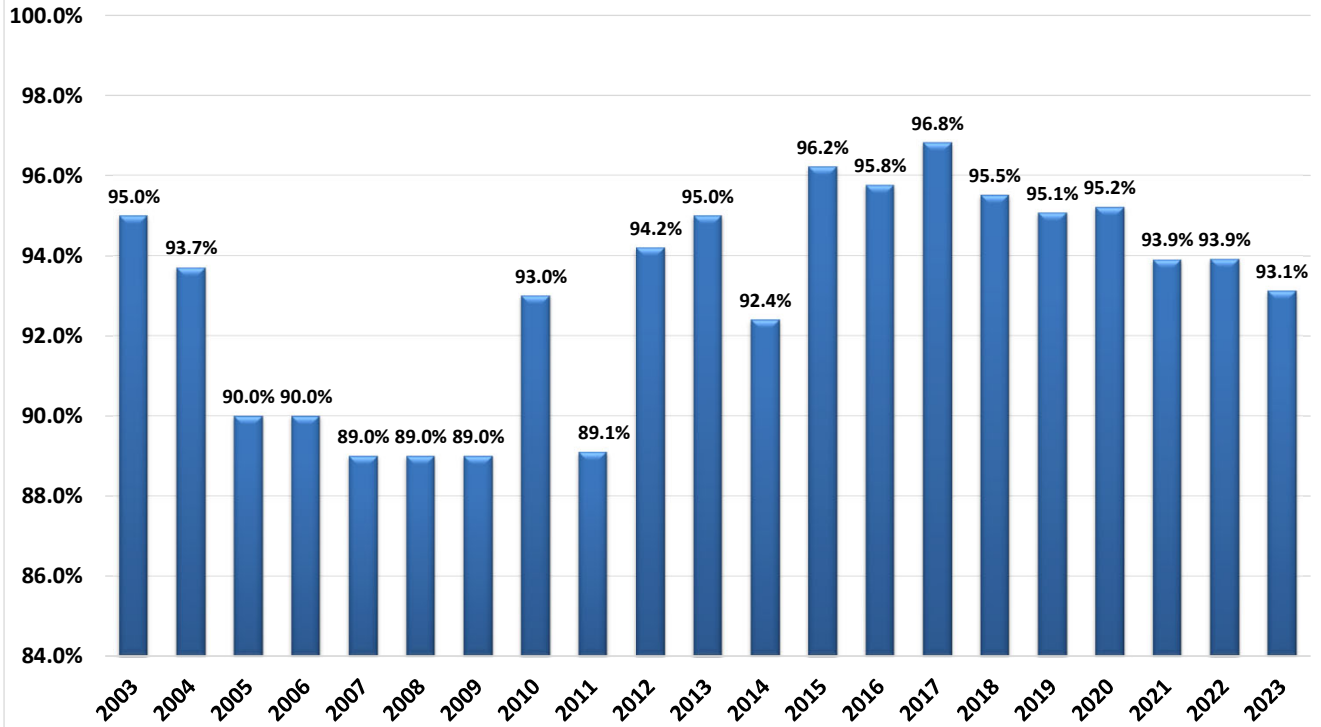
SENIOR AND VETERANS REPORT 2024

(Mandatory Exemptions)

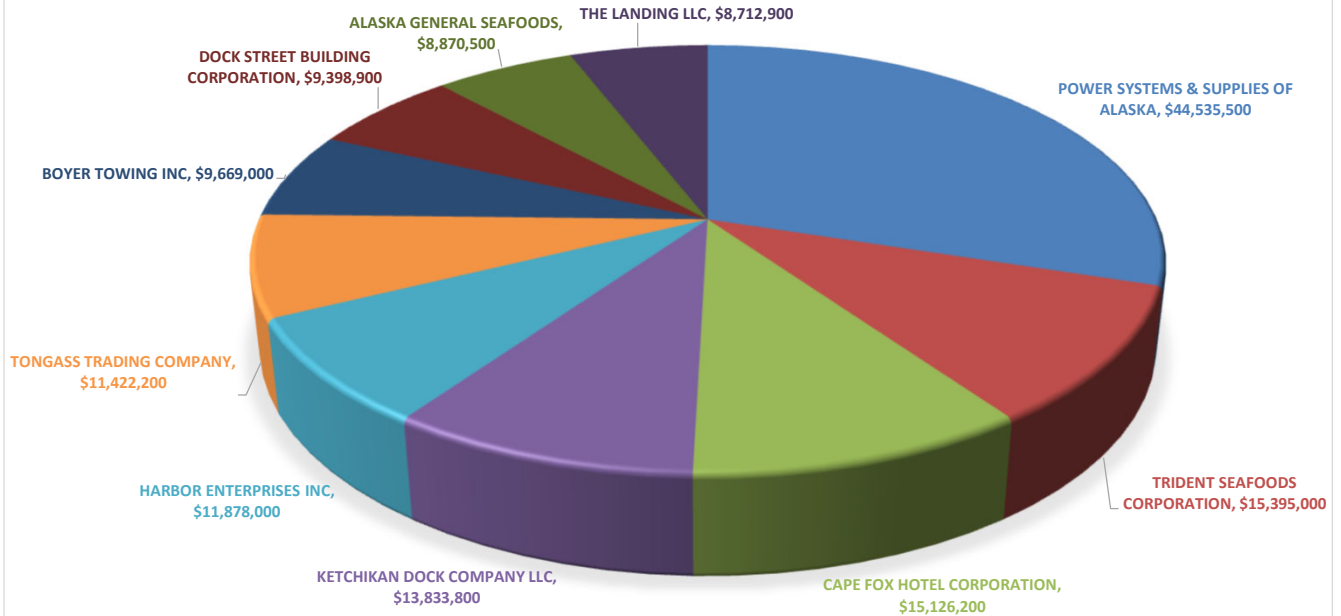
Area	SENIOR	Count	VETERAN	Count
CITY OF KETCHIKAN	82,078,500	607	1,749,900	13
01 CITY OF KETCHIKAN	82,078,500	607	1,749,900	13
CITY OF SAXMAN	5,678,000	39	150,000	1
85 CITY OF SAXMAN	5,678,000	39	150,000	1
SERVICE AREAS NORTH: Districts 31-36	48,180,100	335	3,090,100	21
31 NORTH TONGASS FIRE/EMS (excl 33,36)	46,603,600	324	2,850,000	19
33 WATERFALL AREA	750,000	5	150,000	1
36 MUD BIGHT AREA	826,500	6	90,100	1
SERVICE AREAS SOUTH: Districts 70-77	27,712,900	189	900,000	6
70 SOUTH TONGASS FIRE (excl 71-77)	21,097,100	144	750,000	5
71 FOREST PARK AREA	4,815,800	33	150,000	1
73 GOLD NUGGET AREA	1,350,000	9	0	0
74 GOLD NUGGET/HOMESTEAD AREA	0	0	0	0
75 HOMESTEAD AREA	450,000	3	0	0
76 OLD DAIRY AREA	0	0	0	0
77 NICHOLS VIEW AREA	0	0	0	0
SERVICE AREAS OUTLYING	248,400	3	0	0
58 VALLENAR BAY AREA	87,200	1	0	0
65 LORING AREA	67,000	1	0	0
67 DEEP BAY AREA	0	0	0	0
68 LONG ARM AREA	94,200	1	0	0
REMAINDER OF BOROUGH	3,882,600	31	82,500	1
30 REMAINDER OF BOROUGH	3,882,600	31	82,500	1
TOTAL ALL AREAS	167,780,500	1,204	5,972,500	42

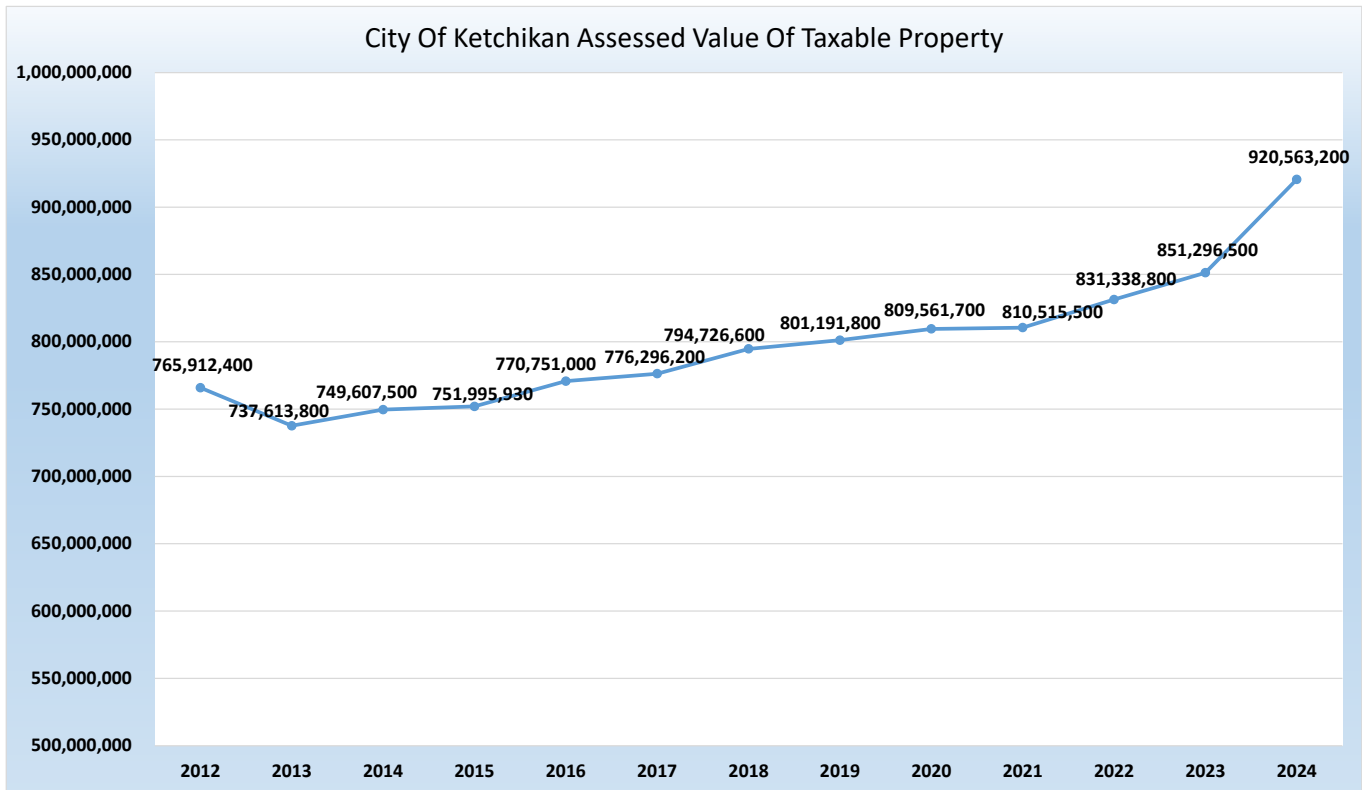
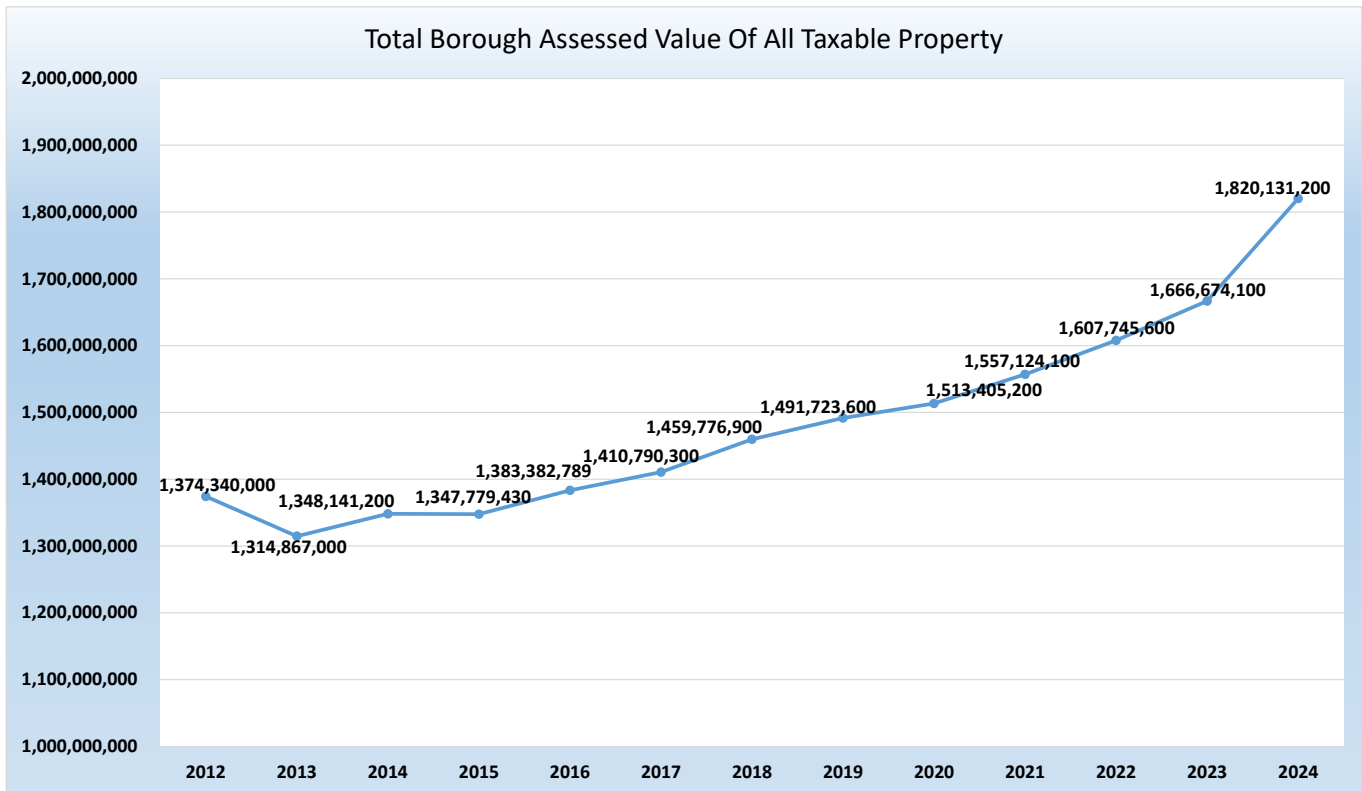


Historic A/S Ratios



Ketchikan Gateway Borough Top Ten Taxpayers





PRELIMINARY REPORT

BUSINESS PERSONAL PROPERTY THREE YEAR TAXABLE VALUE HISTORY BY TAX DISTRICT

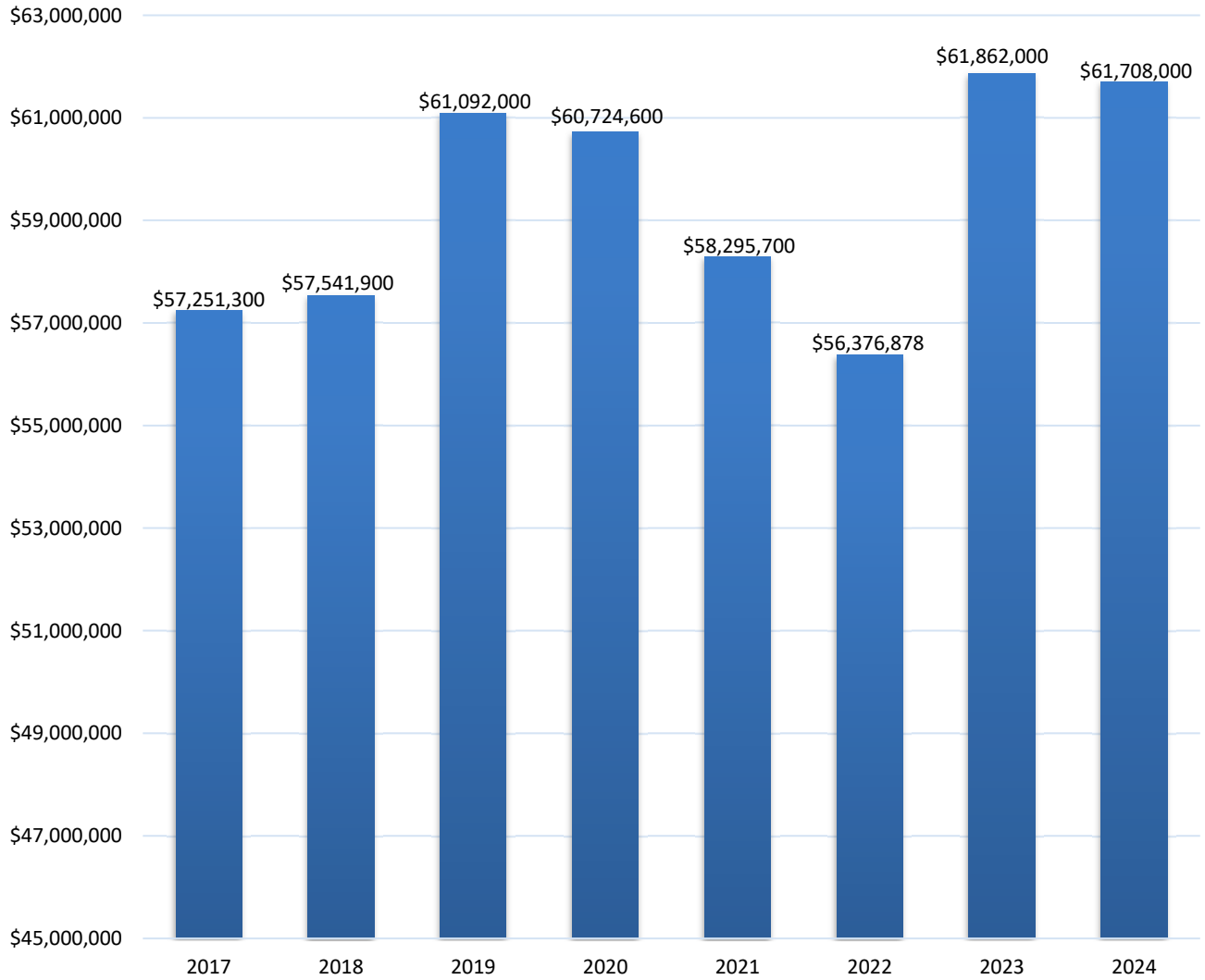
	CURRENT YEAR CHANGE	2024 PRELIMINARY	2023 CERTIFIED	2022 CERTIFIED
CITY CITY OF KETCHIKAN	-0.2%	61,708,000	61,862,000	56,376,878
BOROUGH TOTALS <i>Cities plus Nonareawide</i>	-0.2%	61,708,000	61,862,000	56,376,878
<i>Current year dollor change</i>	-\$154,000			

2024 BUSINESS/PERSONAL DETAIL: APR VALUE PERCENTAGE

PROPERTY CLASS	FURNISHINGS	MACH/EQUIPMENT	AIRCRAFT	OTHER
TOTAL VALUE	8,264,100	36,636,900	16,434,300	6,776,200
CLASS PERCENT	12.1%	53.8%	24.1%	9.9%

Total Value	68,112,500	611	accounts	
Exempt Total	6,404,500			
Taxable Total	61,708,000	183	accounts	Note: The number of taxable accounts can include those with the \$25,000 exemption.

Business Personal Taxable Value



CITY OF KETCHIKAN, ALASKA
2024 OPERATING AND CAPITAL BUDGET
SCHEDULE OF ASSESSED VALUATION AND PROPERTY TAX REVENUES
2004 - 2024

Year	Total Taxable Real Property Valuation	Total Taxable Personal Property Valuation	Total Taxable Valuation	Senior & Veterans Exemption Valuation	Total Assessed Valuation	Millage Rate	Property Tax Revenue
2004	499,380,800	41,280,300	540,661,100	42,700,100	583,361,200	6.4	3,460,231
2005	504,640,800	45,248,700	549,889,500	45,078,700	594,968,200	6.4	3,519,293
2006	545,172,200	42,419,800	587,592,000	45,729,300	633,321,300	6.4	3,760,589
2007	600,749,000	48,912,700	649,661,700	47,670,500	697,332,200	6.1	3,962,936
2008	617,742,500	50,809,700	668,552,200	50,094,600	718,646,800	6.1	4,078,168
2009	641,686,700	50,913,200	692,599,900	52,754,100	745,354,000	6.1	4,224,859
2010	649,369,000	41,375,000	690,744,000	55,101,700	745,845,700	6.1	4,213,538
2011	642,145,600	47,370,800	689,516,400	55,829,300	745,345,700	6.2	4,275,002
2012	646,701,600	44,177,700	690,879,300	58,818,800	749,698,100	6.2	4,283,452
2013	677,685,000	60,238,000	737,923,000	59,737,600	797,660,600	6.7	4,944,084
2014	749,607,500	56,347,400	805,954,900	63,874,100	869,829,000	6.7	5,399,898
2015	751,995,930	56,376,718	808,372,648	65,124,800	873,497,448	6.7	5,416,097
2016	770,751,000	59,603,200	830,354,200	68,375,500	898,729,700	6.7	5,563,373
2017	776,296,200	57,251,300	833,547,500	70,068,900	903,616,400	6.7	5,584,768
2018	794,399,300	57,541,900	851,941,200	72,028,600	923,969,800	6.6	5,622,812
2019	801,191,800	61,092,000	862,283,800	74,723,300	937,007,100	6.6	5,691,073
2020	811,133,700	60,724,600	871,858,300	75,368,400	947,226,700	6.6	5,754,265
2021	810,586,100	58,295,700	868,881,800	79,450,100	948,331,900	6.6	5,734,620
2022	831,965,500	56,376,878	888,342,378	80,194,200	968,536,578	6.6	5,863,060
2023	851,461,300	61,960,900	913,422,200	82,717,600	996,139,800	6.6	6,028,587
2024 (1)	919,578,204	62,952,274	982,530,478	85,033,693	1,067,564,171	6.6	6,484,701

(1) Estimated