



Legislation Text

File #: RES 16-0034, Version: 1

ITEM TITLE:

#16-34 - Requesting FY 17 Payment in Lieu of Taxes Funding from the Department of Commerce, Community, and Economic Development.

SUBMITTED BY: Lisa Von Bargaen, CED Director

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approve Resolution #16-34 requesting FY 17 Payment in Lieu of Taxes funding from the Department of Commerce, Community, and Economic Development.

SUMMARY STATEMENT:

Each year the City receives a federal PILT (Payment in Lieu of Taxes) administered through the State of Alaska Department of Commerce, Community & Economic Development (DCCED). For the past several years municipalities have been warned not to expect PILT revenue due to the federal funding climate. Thankfully, funding has always been made available, and such is the case this year.

The State provided notification to municipalities that PILT funding was re-authorized when President Obama signed into law a bill that provides funding for the Federal Fiscal Year 2016 Payments in Lieu of Taxes program. The \$1.1 trillion omnibus spending package funds the federal government through September 2016. The bill appropriated a total of \$452 million for PILT.

Program regulations require a receiving municipality to pass a resolution which requests payment and certifies minimum standards have been met. That resolution is attached for Council approval.

The City budgeted to receive \$700,000 in federal PILT revenue this year. The City will be receiving \$732,147 this year - \$32,147 more than budgeted.

Between 2007 and 2015 the City has received \$6,630,966 in PILT revenue. The following table breaks it down by annual payments.

Federal PILT Revenue 2007-2014

| | |
|-------|------------------|
| 2007 | \$874,087 |
| 2008 | \$695,793 |
| 2009 | \$713,638 |
| 2010 | \$734,740 |
| 2011 | \$704,009 |
| 2012 | \$713,016 |
| 2013 | \$703,602 |
| 2014 | \$752,184 |
| 2015 | <u>\$739,897</u> |
| Total | \$6,630,966 |

In addition to the resolution, the City must also submit the 2016 Budget and the 2015 Audit when it is complete. Once all items have been submitted, the State will issue payment to the City.