



## Legislation Text

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**File #:** RES 17-0022, **Version:** 1

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**ITEM TITLE:**

#17-22 - Requesting State FY 18 Payment in Lieu of Taxes (PILT) Funding from the Department of Commerce, Community, and Economic Development

**SUBMITTED BY:** Lisa Von Bargen, CD Director

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Approve Resolution #17-21 Requesting State FY 18 Payment in Lieu of Taxes (PILT) 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 Trump signed the Consolidated Appropriations Act that provides \$465 Million for the Federal Fiscal Year 2018 Payments in Lieu of Taxes program. This is a \$13 Million increase over last year's appropriation of \$452 Million for the program.

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 State does not yet know how much funding it will receive for cities within the unorganized borough. The State recommends estimating a 25% reduction of last year's payment. The anticipated disbursement of payments is in July. Last year the City received \$732,147. We have budgeted to receive \$700,000 this year. Again, it is unknown what this year's payment will be.

Between 2007 and 2016 the City has received \$7,363,113 in PILT revenue. The following table breaks it down by annual payments.

Federal PILT Revenue 2007-2016

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	\$739,897
2016	<u>\$732,147</u>
Total	\$7,363,113

In addition to the resolution, the City must also submit the 2017 Budget and the 2016 Audit when it is complete. Once all items have been submitted, the State will issue payment to the City.