

Submitted by: Assembly Member Weddleton
and Assembly Member Zaletel
Prepared by: Assembly Counsel
For reading: January 14, 2020

ANCHORAGE, ALASKA
AO No. 2019-148(S-2)*, As Amended

1
2 **AN ORDINANCE OF THE ANCHORAGE ASSEMBLY SUBMITTING TO THE**
3 **QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE A BALLOT**
4 **PROPOSITION AMENDING THE ANCHORAGE MUNICIPAL CHARTER TO**
5 **AUTHORIZE AN ALCOHOLIC BEVERAGES RETAIL SALES TAX ON AND**
6 **DEDICATING THE NET RECEIPTS REVENUE TO PUBLIC SAFETY AND**
7 **HEALTH AND HOMELESSNESS-RELATED [~~HEALTH AND PUBLIC SAFETY~~]**
8 **PURPOSES, REQUIRING VOTER APPROVAL TO INCREASE THE MAXIMUM**
9 **TAX OR CHANGE THE DECICATED USES; AND RELATED MATTERS.**

10
11 **[Note: this shows changes from AO 2019-148(S) to this S-2 version in legislative drafting*
12 *format, it does not show the S-1 version changes.]*

13
14 **THE ANCHORAGE ASSEMBLY ORDAINS:**

15
16 **Section 1.** Pursuant to state law and the Anchorage Municipal Charter, a ballot
17 proposition in substantially the same form as appears in Section 2 below shall be
18 placed on the ballot and submitted to the qualified voters of the Municipality at the
19 regular municipal election on April 7, 2020.

20
21 **Section 2.** The proposition shall be presented in substantially the following form:

22
23 PROPOSITION NO. _____

24
25 **CHARTER AMENDMENT**
26 **RETAIL SALES TAX ON ALCOHOLIC BEVERAGES OF UP TO 5%**
27 **DEDICATING THE REVENUE TO PUBLIC SAFETY AND HEALTH AND**
28 **HOMELESSNESS-RELATED PURPOSES**

29
30 This proposition would amend the Anchorage Municipal Charter by adding
31 a new section 14.07 to read as follows:

32
33 **Section 14.07 Alcoholic beverages retail sales tax.**

- 34
35 (a) Tax levy and effective date:
36 The assembly is hereby authorized to levy a **[five**
37 **percent ~~(5%)~~]** tax on all retail sales of alcoholic
38 beverages **not to exceed five percent (5%)**. The

1 initial tax rate of levy shall be two percent (2%) and
2 effective January 1, 2021. The assembly may by
3 ordinance increase the tax rate when reasonable,
4 necessary, and directly related to the purposes to
5 which the tax net receipts are dedicated. An
6 ordinance increasing the tax rate shall require the
7 increase to be terminated or reduced when the
8 purpose(s) thereof cease to require payment of
9 financing obligations or operating costs.

10
11 (b) Dedication of proceeds:

12 The net receipts from the alcoholic beverages retail
13 sales tax, after payment of the costs of administration,
14 collection and audit to the municipality, are dedicated
15 and shall be available to use only for

16
17 (1) up to half the costs, where the other funds
18 may be from any source other than
19 municipal alcohol retail tax revenue, for
20 construction or operation of:

21
22 (A) detoxification or long-term addiction
23 recovery facilities, or

24
25 (B) mental health treatment facilities
26 [temporary shelter for homeless
27 persons];

28
29 (2) behavioral health and substance misuse
30 prevention and response programs; ~~and~~

31
32 (3) homelessness prevention and response,
33 including day and overnight shelter
34 [abatement of prohibited campsites]; and

35
36 ~~[(1) Funding for police and first responders;~~
37 ~~(2) Funding to combat and address child abuse,~~
38 ~~sexual assault, and domestic violence; and~~
39 ~~(3) Funding for substance misuse, treatment and~~
40 ~~prevention programs, mental and behavioral health~~
41 ~~programs, and resources to address Anchorage's~~
42 ~~homelessness crisis.]~~
43

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43

(c) No increase of the alcoholic beverages retail sales tax **above five percent (5%)** or change of the use of its proceeds may be made without approval of the majority of qualified voters voting on the question.

(d) **The assembly may direct the use of net receipts from the tax to support securing or repaying obligations by or on behalf of the municipality in order to finance projects for purposes described in subsection (b).**

(e) **At least 120 days before the end of the fiscal year of the municipality and at such other times as the assembly directs, the mayor shall submit to the assembly a report of the tax revenues collected and expended. The report of expenses shall be itemized by each authorized use or purpose.**

(f) **The assembly shall enact such additional provisions, not inconsistent with this section, as necessary or desirable to implement this section. The assembly may prescribe exemptions to the tax imposed by this section by ordinance.**

(g) Alcoholic beverages held in inventory by a retail seller that are subject to this tax are exempt from personal property taxes.

~~[Note: in the S-version the language below with strikethrough is omitted from the ballot, the Charter language is not to be affected]~~

~~And by amending Anchorage Municipal Charter, Article II (4), and Charter §14.01(b) as follows (**underlined and bolded words** are proposed new words; **~~strikeouts in bold~~** are proposed deletions):~~

ARTICLE II BILL OF RIGHTS

This Charter guarantees rights to the people of Anchorage that are in addition to rights guaranteed by the Constitution of the United States of America and the Constitution of the State of Alaska. Among rights guaranteed by this Charter are:

1 *** *** ***
 2 (4) The right of immunity from sales taxes, except upon
 3 approval by three-fifths (3/5) of the qualified voters
 4 voting on the question, except the tax~~[es]~~ imposed by
 5 Charter ~~§ [Section]~~ 14.05 ~~[and § 14.07]~~ shall be
 6 effective if approved by a majority (50 percent + one)
 7 of the qualified voters voting on the question.

8
9 **Section 14.01 Taxing Authority**

10 *** *** ***
 11 (b) Unless otherwise provided in this Charter, no sales
 12 tax ordinance is valid until ratified by three-fifths (3/5)
 13 of those voting on the question at a regular or special
 14 election, except the tax~~[es]~~ imposed by Charter §
 15 14.05 ~~[and § 14.07]~~ shall be effective if approved by a
 16 majority (50%+ one) of the qualified voters voting on
 17 the question.]

18
19
20 If approved by a majority ~~[three-fifths (3/5)]~~ **[A MAJORITY]** of the voters
21 voting on the question at the April 7, 2020 Regular Election, the
22 amendments to the Charter above shall be effective upon certification of the
23 election.

24
25 Shall the Anchorage Municipal Charter be amended as set forth above, and
26 the ~~[5%]~~ retail sales tax on alcoholic beverages be approved?

27 Yes [] No []

28
29
30 **Section 3.** Section 1 of this ordinance shall become effective immediately upon
31 passage and approval by two-thirds of the total membership of the Assembly as
32 set forth in Charter Section 18.02. The proposition contained in Section 2 of this
33 ordinance shall be incorporated into the Home Rule Charter for the Municipality of
34 Anchorage and effective upon and only if the proposition is certified as approved
35 by a majority ~~[three-fifths (3/5)]~~ **[A MAJORITY]** of the qualified voters voting on
36 said proposition at the regular municipal election of April 7, 2020. The remainder
37 of this ordinance is effective upon passage and approval.

38
39 PASSED AND APPROVED by the Anchorage Assembly this _____ day of
40 _____, 2020.

41
42 _____

1
2
3
4
5
6

Chair

ATTEST:

Municipal Clerk