

Appendix R

Alcoholic Beverages Retail Sales Tax Program

Purpose

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

- Funding for police, related criminal justice personnel, and first responders
- Funding to combat and address child abuse, sexual assault, and domestic violence
- Funding for substance misuse treatment, prevention programs, detoxification or long-term addiction recovery facilities, mental and behavioral health programs, and resources to prevent and address Anchorage's homelessness crisis.

The dedicated net receipts shall only be used to provide additional service levels above the 2020 baseline. The net receipts described shall not be used to supplant funding for existing service levels contained in the actual operating budget for fiscal year 2020 and the funding to provide for and maintain that level of service in subsequent years.

Description

Ordinance AO 2019-148(S-1), As Amended submitted to the qualified voters of the Municipality of Anchorage at the regular municipal election on April 7, 2020 as Proposition 13 passed 51.24% yes to 48.76% no. Proposition 13 amends the Anchorage Municipal Charter by adding a new Section 14.07 Alcoholic beverages retail sales tax. The assembly is authorized to levy a five percent (5%) tax on all retail sales of alcoholic beverages. The tax levy shall be effective February 1, 2021.

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.

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 and presented to the public.

AO 2020-57(S), passed and approved by the Anchorage Assembly on June 23, 2020 added Anchorage Municipal Code (AMC) Chapter 12.65, Alcoholic Beverages Retail Sales Tax to establish the requirements and procedures for the administration, collection, and enforcement of the alcoholic beverages retail sales tax.

In accordance with AO 2019-148(S-1), As Amended, Section 3. the Municipality created fund 206000 Alcoholic Beverages Retail Sales Tax Fund to account for the revenues and expenditures of the tax proceeds.

2023 Revised to 2024 Proposed Alcohol Tax Reconciliation by Program

Line	Department / Agency	Category and Description	(1) Time / Recurring	Function Cost (Direct + IGCs)				
				2023 Revised Budget	REVERSE One-Time Amendments	Continuation	Proposed Changes	2024 Proposed Budget
Child Abuse, Sexual Assault, and Domestic Violence								
1	Health	Early education grants to providers	R	1,999,850	-	-	282,277	2,282,127
2	Health	Evidence-based grants to providers	R	4,000,000	(2,000,000)	-	-	2,000,000
3	Health	Evidence-based grant to Abused Women's Aid in Crisis (AWAIC)	R	125,000	-	-	-	125,000
4	Health	Evidence-based grant to Standing Together Against Rape (STAR)	R	125,000	-	-	-	125,000
5	Health	Evidence-based grant to Victims for Justice	R	125,000	-	-	-	125,000
6	Health	Program operations	R	67,675	-	-	-	67,675
7	Library	Early Literacy program operations	R	128,357	-	4,835	-	133,192
8	Library	Best Beginnings	R	150,000	(150,000)	-	250,000	250,000
9	Subtotal Child Abuse, Sexual Assault, and Domestic Violence			\$ 6,720,882	\$ (2,150,000)	\$ 4,835	\$ 532,277	\$ 5,107,994
10								
11	First Responders							
12	Fire	Mobile Crisis Team (MCT)	R	2,447,180	-	-	-	2,447,180
13	Fire	Polyfluorinated (PFAS) substances response equipment	1	100,000	(100,000)	-	-	-
14	Municipal Attorney	Program operations	R	267,989	-	9,518	-	277,507
15	Police	Program operations	R	600,590	-	39,607	-	640,197
16	Police	Mobile Intervention Team (MIT)	R	225,601	389,866	16,447	(291,206)	340,708
17	Subtotal First Responders			\$ 3,641,360	\$ 289,866	\$ 65,572	\$ (291,206)	\$ 3,705,592
18								
19	Homelessness							
20	Community Development	Golden Lion	1	250,000	(250,000)	-	-	-
21	Health	Pay for Success/Home for Good - housing program	R	1,800,000	-	-	-	1,800,000
22	Health	Program operations	R	679,079	-	24,798	-	703,877
23	Health	Catholic Social Services Complex Care	R	1,830,000	(500,000)	-	-	1,330,000
24	Health	Christian Health Association	R	550,000	-	-	-	550,000
25	Health	Brother Francis Shelter	R	670,000	(225,000)	-	-	445,000
26	Health	Anchorage Coalition to End Homelessness	R	700,000	-	-	-	700,000
27	Health	Covenant House	R	730,000	(330,000)	-	-	400,000
28	Health	Sullivan Arena operations	1	326,000	(326,000)	-	-	-
29	Health	Anchorage Affordable Housing & Land Trust	1	250,000	(250,000)	-	-	-
30	Health	Providence Crisis Stabilization Center	1	1,000,000	(1,000,000)	-	-	-
31	Library	Community Resource Coordination	R	348,952	-	29,639	-	378,591
32	Parks & Recreation	Healthy Spaces homeless camp abatement	R	634,290	-	31,201	-	665,491
33	Subtotal Homelessness			\$ 9,768,321	\$ (2,881,000)	\$85,638	\$ -	\$ 6,972,959

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2024 Proposed General Government Operating Budget

Line	Department / Agency	Category and Description	(1) Time / Recurring	Function Cost (Direct + IGCs)				
				2023 Revised Budget	REVERSE One-Time Amendments	Continuation	Proposed Changes	2024 Proposed Budget
34								
35		Mental Health and Substance Misuse						
36	Health	Direct grant to Recover Alaska	R	100,000	-	-	-	100,000
37	Health	Direct grant to Volunteers of America	R	100,000	-	-	-	100,000
38	Health	American Foundation for Suicide Prevention information campaign	R	30,000	-	-	-	30,000
39		Subtotal Mental Health and Substance Misuse		\$ 230,000	\$ -	\$ -	\$ -	\$ 230,000
40								
41		Administration, Collection, and Audits to the Municipality						
42	Assembly	Alcohol Tax Program education and outreach	R	50,000	-	-	-	50,000
43	Assembly	Alcohol Tax strategic planning on use in all categories	R	250,013	-	1	-	250,014
44	Finance	Alcohol tax enforcement, including tax collection software costs	R	277,800	-	12,791	-	290,591
45		Subtotal Administration, Collection, and Audits to the Municipality		\$ 577,813	\$ -	\$ 12,792	\$ -	\$ 590,605
46								
47		Total Alcoholic Beverages Retail Sales Tax Program		\$ 20,938,376	\$ (4,741,134)	\$ 168,837	\$ 241,071	\$ 16,607,150
48								
49		Alcoholic Beverages Retail Sales Tax Revenues		16,000,150	-	607,000	-	16,607,150
50								
51								
52		Balance of Alcoholic Beverages Retail Sales Tax Revenues		(4,938,226)	4,741,134	438,163	(241,071)	-
53								
54								

Notes:

Continuation - Changes due to updated: collective bargaining agreements; allocation (intragovernmental charges - IGCs) factors; position and employee costing; and revenue forecast.

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Alcoholic Beverages Retail Sales Tax Program Reconciliation from 2023 Revised Budget to 2024 Proposed Budget

	Direct Costs	Positions		
		FT	PT	Seas/T
2023 Revised Budget	20,938,376	-	-	-
2023 One-Time Requirements				
- <u>Health</u> - Reverse ONE-TIME - 2023 1Q 19 Alc Tax - Additional funding for early education grants and evidence-based grants to providers	(2,000,000)	-	-	-
- <u>Library</u> - Reverse - ONE-TIME - 2023 1Q 2 Alc Tax - A direct grant to Best Beginnings, an Anchorage-based public-private partnership.	(150,000)	-	-	-
- <u>Fire</u> - Reverse - ONE-TIME - 2023 1Q 1 Alc Tax - Purchase of equipment in response to polyfluorinated substances (PFAS) concerns.	(100,000)	-	-	-
- <u>Community Development</u> - Reverse - ONE-TIME - 2023 1Q 20 Alc Tax - Startup costs to get the former Golden Lion up and running as low-income housing.	(250,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 5A Alc Tax - Housing and homelessness response - Grant to Complex Care Facility for operations	(500,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 5A Alc Tax - Housing and homelessness response - grant to Brother Francis Shelter for continuation funding to endure increased capacity at 120 permanently	(225,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 5A Alc Tax - Housing and homelessness response - Grant to Covenant House for day shelter services year-round for up to 50 transition age youth	(330,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 4A Alc Tax - Extension of operations at the Sullivan Arena	(326,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 5BA Alc Tax - Housing and homelessness response - Grant to the Anchorage Affordable Housing and Land Trust to assist with (1) homelessness prevention for individuals staying at their facilities, (2) enhanced staffing operations, to include security, during year one operations at their facilities, and (3) technical assistance and training staff.	(250,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 3 Alc Tax - A direct grant to Providence for a Crisis Stabilization Center	(1,000,000)	-	-	-
- <u>Police</u> - Reverse - ONE-TIME - Mobile Intervention Team (MIT) funding aligned with approval AR 2023-049(S)	389,866	-	-	-
Transfers by/to Other Departments				
- Intragovernmental Charges (IGCs)	20,834	-	-	-
Changes in Existing Programs/Funding for 2024				
- <u>Finance</u> - salaries and benefits adjustments	12,597	-	-	-
- <u>Health</u> - salaries and benefits adjustments	24,447	-	-	-
- <u>Library</u> - salaries and benefits adjustments	32,631	-	-	-
- <u>Municipal Attorney</u> - salaries and benefits adjustments	9,477	-	-	-
- <u>Parks & Recreation</u> - salaries and benefits adjustments	30,126	-	-	-
- <u>Police</u> - salaries and benefits adjustments	38,725	-	-	-
2024 Continuation Level	16,366,079	-	-	-

Alcoholic Beverages Retail Sales Tax Program Reconciliation from 2023 Revised Budget to 2024 Proposed Budget

	Direct Costs	Positions		
		FT	PT	Seas/T
2024 Proposed Budget Changes				
- <u>Health</u> - Early Education grants to providers	282,277	-	-	-
- <u>Library</u> - A direct grant to Best Beginnings, an Anchorage-based public-private partnership	250,000	-	-	-
- <u>Police</u> - Split cost of Mobile Intervention Team 50/50 alcohol tax & general government	(291,206)	-	-	-
2024 Proposed Budget	16,607,150	-	-	-