

\*\*\* DRAFT \*\*\*

**ANCHORAGE, ALASKA  
AO No. 2022-17(S)\***

1 AN ORDINANCE SUBMITTING TO THE QUALIFIED VOTERS OF THE  
2 MUNICIPALITY OF ANCHORAGE A BALLOT PROPOSITION AMENDING THE  
3 ANCHORAGE MUNICIPAL CHARTER TO SUPPORT AND ADVANCE EARLY  
4 CHILDHOOD CARE AND EDUCATION, DEDICATE THE NET PROCEEDS OF  
5 THE CURRENT RETAIL MARIJUANA SALES TAX TO THIS PURPOSE, AND  
6 EXCEPTING THE MARIJUANA TAX FROM THE TAX INCREASE LIMITATION  
7 (“TAX CAP”).  
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9  
10 **THE ANCHORAGE ASSEMBLY ORDAINS:**

11  
12 **Section 1.** Pursuant to state law and the Anchorage Municipal Charter, a ballot  
13 proposition in substantially the form and substance as set forth in Section 2 below  
14 with proposed amendments to the Charter shall be submitted to the qualified voters  
15 of the Municipality at the next regular election to be held April 4, 2023 [~~5, 2022~~].  
16

17 **Section 2.** The following proposition shall be presented to the voters:  
18

19 **PROPOSITION NO. \_\_**  
20 **Charter Amendment**  
21 **Marijuana Tax for Early Childhood Care and Education**  
22

23 This proposition would establish a board of early childhood care and  
24 education, dedicate the net retail marijuana sales tax revenues to this board’s  
25 budgeted activities, lower the maximum marijuana sales tax rate to  
26 10%, prohibit any increase in the marijuana sales tax rate for five (5)  
27 years, and except the marijuana sales taxes from the tax increase limitation  
28 (“tax cap”). The proposition would amend the Anchorage Municipal Charter  
29 by adding the following new section to Article VI:  
30

31 **Section 6.06. Anchorage Board of Early Childhood Care and**  
32 **Education**  
33

34 (a) **Board Composition and Purpose**

35 There is established a board of early childhood care and education  
36 composed of five (5) members. Three (3) members shall be  
37 appointed by the mayor and confirmed by the assembly, and two (2)  
38 members shall be appointed by a majority vote of the school  
39 board. The board’s mission and activities shall be [~~receive and~~  
40 ~~manage the disbursement of all net receipts collected from the~~  
41 ~~marijuana tax pursuant to § 14.06(d)] for the purpose of supporting  
42 and advancing early childhood care and education in Anchorage. No  
43 board member may serve in any [~~other~~] elected office, except on a~~

\* Because Charter amendment propositions to current Charter language show new language in **bold and underline** and deletion by [~~bold, brackets and strikethrough~~], the changes made by this (S) version to the original AO are shown in **bold and italics**, including [~~deletions~~].

1 service area board established pursuant to section 9.01 of this  
2 Charter.

3  
4 (b) **Budget and Funding**

5 **The board shall have a separate budget within the annual**  
6 **municipal budget and it shall be subject to Charter sections 13.03**  
7 **through 13.08.** The board shall prepare a **proposed** budget and  
8 **submit it to the mayor and a copy [a proposed rate of marijuana**  
9 **tax under Charter § 14.06 sufficient to fund the budget and submit**  
10 **the budget]** to the assembly at least **120 [90]** days before the end of  
11 the municipal fiscal year. The budget may provide for investment of  
12 funds for use on capital projects or capital programs in future years.  
13 **The mayor shall submit a proposed budget for the board to the**  
14 **assembly, and it shall be considered and approved separately**  
15 **from the municipal budget. [The assembly may increase or**  
16 **decrease the budget only as to total amount. The assembly shall**  
17 **approve the budget as amended and appropriate the necessary**  
18 **funds at least 21 days prior to the end of the municipal fiscal**  
19 **year. If the assembly fails to approve the budget and make the**  
20 **necessary appropriation within the time stated, either before or**  
21 **by veto override after a veto of all or a portion of a budget, the**  
22 **board's proposal shall become the approved budget and**  
23 **appropriation for the fiscal year without further assembly action.]**  
24 The assembly shall establish a tax rate at a level sufficient for the  
25 approved budget and in accordance with Charter §14.06.

26  
27 (c) **Expenditures and Administrative Limit**

28 The board may support and advance early childhood **care and**  
29 education in Anchorage in any manner not prohibited by law, including  
30 issuing grants, conducting studies or other research, and funding  
31 training or professional development. **Grants and fund expenditures**  
32 **shall be used for nonsectarian purposes and may be issued to**  
33 **any public, private, or religious organization otherwise eligible to**  
34 **receive municipal grants and contracts.** The board may spend no  
35 more than 10% of the funds received each year on its own  
36 administrative costs as defined by ordinance. The board shall each  
37 year publish a report describing the amounts spent and the results  
38 achieved, and other information as the assembly by ordinance may  
39 prescribe.

40  
41 (d) **Board Staff**

42 **The board may, but is not required to, appoint a principal**  
43 **executive officer in consultation with the mayor. The principal**  
44 **executive officer shall serve at the pleasure of the commission.**

45  
46 (e) The assembly shall implement this section by ordinance.

47  
48 And by amending portions of Anchorage Municipal Charter § 14.03 and §  
49 14.06 as follows (additions shown in **underline and bold**, deletions indicated

1 by ~~[brackets, strikethrough, and bold]~~; current text of the Charter omitted  
2 indicated by \*\*\*):  
3

4 **Section 14.03. Tax increase limitation.**

5 \*\*\*

6 (b) The limitations set forth in subsection (a) do not apply to the  
7 following:  
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9 \*\*\*

10 (6) Taxes imposed pursuant to Charter § 14.06 prior to 2019 **and**  
11 **subsequent to 2023 [2022].**

12 (c) Any tax increases which result from the exceptions set forth in  
13 subsection (b)(1)—(3) shall be added to the base amount which is  
14 used in subsection (a) for the calculations of the subsequent year tax  
15 increase limit. Taxes **collected [imposed] [collected]** pursuant to  
16 Charter § 14.06 in **2018 [2022] [2018]** shall be added to the base  
17 amount which is used in subsection (a) for calculations of the **2019**  
18 **[2023] [2019]** tax increase limit. **Taxes collected pursuant to**  
19 **Charter § 14.06 in 2024 and subsequent years shall be in addition**  
20 **to taxes that can be levied pursuant to this section. [but taxes**  
21 **imposed in subsequent years are excepted from the limitation**  
22 **pursuant to subsection (b)(6)]**

23 **Section 14.06. - Retail marijuana sales tax.**

24 (a) The assembly is hereby authorized, to the extent provided by  
25 law, to levy a tax on all retail sales of marijuana and marijuana  
26 products in an amount not to exceed **ten percent (10%) [twelve**  
27 **percent (12%)]** of the sales price. The initial rate of levy shall be  
28 five percent (5%), **and may not be increased until after June**  
29 **30, 2028.**

30 \*\*\*

31 (d) **Beginning in 2024 [2023], the net receipts from the tax**  
32 **levied under this section, after payment of the costs of tax**  
33 **administration, collection and audit to the municipality, are**  
34 **dedicated and shall be available to use only for the**  
35 **purposes of Charter § 6.06.**

36 Shall the Anchorage Municipal Charter be amended as set forth above, and  
37 the Anchorage Board of Early Childhood **Care and** Education be established  
38 with the retail marijuana sales tax dedicated to its use and outside the tax  
39 cap?

40 Yes [ ] No [ ]

41 **Section 3.** The amendments to the Charter shall be effective 30 days after  
42 certification of the election, subject to approval of the proposition contained in  
43 Section 2 of this ordinance. The remainder of this ordinance shall be effective  
44 immediately upon passage and approval of the Assembly.  
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PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day  
of \_\_\_\_\_, 2022.

Chair \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Municipal Clerk

DRAFT