

**ANCHORAGE, ALASKA**  
**AO No. 2022-17(S-1)\***

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 CHILD~~[HOOD]~~ CARE AND EARLY EDUCATION, DEDICATE THE NET  
5 PROCEEDS OF THE CURRENT RETAIL MARIJUANA SALES TAX TO THIS  
6 PURPOSE, ~~[AND]~~ EXCEPTING THE MARIJUANA TAX FROM THE TAX  
7 INCREASE LIMITATION ("TAX CAP"), AND LOWERING THE TAX CAP ONE  
8 TIME FOR 2024 BY THREE MILLION DOLLARS (\$3,000,000).  
9

10  
11 **THE ANCHORAGE ASSEMBLY ORDAINS:**  
12

13 **Section 1.** Pursuant to state law and the Anchorage Municipal Charter, a ballot  
14 proposition in substantially the form and substance as set forth in Section 2 below  
15 with proposed amendments to the Charter shall be submitted to the qualified voters  
16 of the Municipality at the next regular election to be held April 4, 2023 ~~[5, 2022]~~.  
17

18 **Section 2.** The following proposition shall be presented to the voters:  
19

20 **PROPOSITION NO. \_\_\_\_**

21 **Charter Amendment**

22 **Dedicating Marijuana Tax for ~~[Early]~~ Child~~[hood]~~ Care and Early Education**  
23

24 This proposition would establish *dedicated funding for child care and early*  
25 *education, an accountability* [a] board of ~~[early]~~ child~~[hood]~~ care and early  
26 education, dedicate the net retail marijuana sales tax revenues to this board's  
27 budgeted activities, ~~[lower the maximum marijuana sales tax rate to~~  
28 ~~10%, prohibit any increase in the marijuana sales tax rate for five (5)~~  
29 ~~years,]~~ and move ~~[except]~~ the marijuana sales taxes from under the tax  
30 increase limitation ("tax cap") calculation to be above the tax cap and lower  
31 the tax cap one time by three million dollars in 2024. [— which will allow  
32 other municipal taxes under the tax cap to be increased to replace it  
33 (estimated at \$6 million for 2023, or approximately \$17.00 for each  
34 \$100,000 of assessed taxable property value, based on the estimated  
35 2022 areawide assessed valuation in Anchorage).] The proposition would  
36 amend the Anchorage Municipal Charter by adding the following new section  
37 to Article VI:  
38

39 **Section 6.06. Dedicating marijuana tax net proceeds and Accountability**  
40 **[Anchorage] Board of ~~[Early]~~ Child~~[hood]~~ Care and Early Education**  
41

- 42 (a) Dedicated marijuana tax net proceeds. The net proceeds of the  
43 marijuana tax shall be dedicated to:

\* 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-1) version to the original AO are shown in *italics and underline*, including *[deletions]*.

- (1) Creating access to child care and early education programs for the residents of Anchorage;
- (2) Provide funding for reading programs for child care and early education programs;
- (3) Provide resources to increase funding, livable wages, training and staffing for child care and early education programs; and
- (4) Prioritize the utilization of existing school district facilities that are closed, scheduled to be closed, or underutilized for use for child care and early education programs, as long as they are economically feasible, before other facilities are considered for the use of these funds.

(b) **Accountability Board Composition and Purpose**

There is established an accountability [a] board of [early] child[hood] **care and early** education composed of five (5) members ~~[- **Three (3) members shall be**]~~ appointed by the mayor and confirmed by the assembly ~~[- **and two (2) members shall be appointed by a majority vote of the school board**]~~. The board's **mission and activities** shall **be [receive and manage the disbursement of all net receipts collected from the marijuana tax pursuant to § 14.06(d)]** for the purpose of supporting and advancing [early] child[hood] **care and early** education in Anchorage. No board member may serve in any **[other]** elected office, except on a service area board established pursuant to section 9.01 of this Charter.

(c/b) **Budget and Funding**

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

The assembly shall establish a tax rate at a level sufficient for the approved budget and in accordance with Charter §14.06.

**(d[e]) Expenditures and Administrative Limit**

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

**(e[d]) Accountability Board Staff**

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

**(f[e])** The assembly shall implement this section by ordinance.

And by amending portions of Anchorage Municipal Charter § 14.03 and § 14.06 as follows (additions shown in **underline and bold**, deletions indicated by **[brackets, strikethrough, and bold]**; current text of the Charter omitted indicated by \*\*\*):

**Section 14.03. Tax increase limitation.**

\*\*\*

(b) The limitations set forth in subsection (a) do not apply to the following:

\*\*\*

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

(c) Any tax increases which result from the exceptions set forth in subsection (b)(1)—(3) shall be added to the base amount which is used in subsection (a) for the calculations of the subsequent year tax increase limit. Taxes **collected [imposed] [collected]** pursuant to Charter § 14.06 in **2018 [2022] [2018]** shall be added to the base amount which is used in subsection (a) for calculations of the **2019 [2023] [2019]** tax increase limit. **Taxes collected pursuant to Charter § 14.06 in 2024 and subsequent years shall be in addition to taxes that can be levied pursuant to this section. [but taxes imposed in subsequent years are excepted from the limitation pursuant to subsection (b)(6)] To ameliorate the effect of excepting taxes in subsection (b)(6) subsequent to 2023, the total amount of**

municipal tax that can be levied as calculated under subsection (a) for  
2024 only shall be reduced by three million dollars.

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

[NOTE: subsection (a) below is omitted from the proposition, there is no change  
proposed to the current text of the subsection]

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

\*\*\*

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

Shall the Anchorage Municipal Charter be amended as set forth above, and  
the Accountability [Anchorage] Board of [early] Child[hood] **Care and Early**  
Education be established with the retail marijuana sales tax dedicated to child  
care and early education programs [its use] and **moved** outside the tax cap  
and lower the tax cap one time in 2024 by three million dollars (\$3,000,000)?  
~~[, to exclude them from the municipal tax cap thereby allowing other  
municipal taxes under the tax cap to be increased to replace it  
(estimated at \$6 million for 2024, or approximately \$17.00 for each  
\$100,000 of assessed taxable property value, based on the estimated  
2022 areawide assessed valuation in Anchorage)?]~~

Yes [ ]      No [ ]

**Section 3.** The amendments to the Charter shall be effective 30 days after  
certification of the election, subject to approval of the proposition contained in  
Section 2 of this ordinance. The remainder of this ordinance shall be effective  
immediately upon passage and approval of the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day  
of \_\_\_\_\_, 2023 [2022].

\_\_\_\_\_  
Chair

ATTEST:

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