Submitted by: Assembly Chair LaFrance and

Assembly Member Perez-Verdia
Prepared by: Assembly Counsel
For reading: January 11, 2022

### ANCHORAGE, ALASKA AO No. 2022-17

AN ORDINANCE SUBMITTING TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE A BALLOT PROPOSITION AMENDING THE ANCHORAGE MUNICIPAL CHARTER TO SUPPORT AND ADVANCE EARLY CHILDHOOD EDUCATION, DEDICATE THE NET PROCEEDS OF THE CURRENT RETAIL MARIJUANA SALES TAX TO THIS PURPOSE, AND EXCEPTING THE MARIJUANA TAX FROM THE TAX INCREASE LIMITATION ("TAX CAP").

#### THE ANCHORAGE ASSEMBLY ORDAINS:

<u>Section 1.</u> Pursuant to state law and the Anchorage Municipal Charter, a ballot proposition in substantially the form and substance as set forth in Section 2 below with proposed amendments to the Charter shall be submitted to the qualified voters of the Municipality at the next regular election to be held April 5, 2022.

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

### PROPOSITION NO. \_\_

This proposition would establish a board of early childhood education, dedicate the net retail marijuana sales tax revenues to this board, and except the marijuana taxes from the tax increase limitation ("tax cap"). The proposition would amend the Anchorage Municipal Charter by adding the following new section to Article VI:

### Section 6.06. Anchorage Board of Early Childhood Education

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

There is established a board of early childhood education composed of five (5) members appointed by the mayor and confirmed by the assembly. The board shall 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 childhood 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.

# (b) **Budget and Funding**

The board shall prepare a budget and a proposed rate of marijuana tax under Charter § 14.06 sufficient to fund the budget and submit the budget to the assembly at least 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 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.

### (c) Expenditures and Administrative Limit

The board may support and advance early childhood education in Anchorage in any manner not prohibited by law, including issuing grants, conducting studies or other research, and funding training or professional development. 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.

(d) 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 <u>underline and bold</u>, deletions indicated by [brackets, strikethrough, and bold]; current text of the Charter omitted indicated by \*\*\*):

### Section 14.03. Tax increase limitation.

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- (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 <u>and</u> subsequent to 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 <a href="imposed">imposed</a> [collected</a>] pursuant to Charter § 14.06 in <a href="2022">2022</a> [2018] shall be added to the base amount which is used in subsection (a) for calculations of the <a href="2023">2023</a> [2019] tax increase limit but taxes imposed in subsequent years are excepted from the limitation pursuant to subsection (b)(6).

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

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(d) Beginning in 2023, the net receipts from the tax levied under this section, after payment of the costs of tax

1	administration, collection and audit to the municipality, are
2	dedicated and shall be available to use only for the
3	purposes of Charter § 6.06.
4	
5	Shall the Anchorage Municipal Charter be amended as set forth above, and
6	the Anchorage Board of Early Childhood Education be established with the
7	retail marijuana sales tax dedicated to its use and outside the tax cap?
8	
9	Yes [ ] No [ ]
10	
11	
12	<b>Section 3.</b> The amendments to the Charter shall be effective 30 days after
13	certification of the election, subject to approval of the proposition contained in
14	Section 2 of this ordinance. The remainder of this ordinance shall be effective
15	immediately upon passage and approval of the Assembly.
16	
17	PASSED AND APPROVED by the Anchorage Assembly this day
18	of, 2022.
19	
20	
21	
22	
23	Chair
24	ATTEST:
25	
26	
27	Marainia al Olada
28	Municipal Clerk