



MUNICIPALITY OF ANCHORAGE

13.B.

Assembly Information Memorandum

No. AIM 50-2025

Meeting Date: March 18, 2025

From: ASSEMBLY MEMBERS RIVERA AND SULTE

Subject: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING A DEDICATED SALES [~~PROPERTY~~] TAX AND ECONOMIC DEVELOPMENT MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES [~~AND USE~~] TAX OF THREE PERCENT (3%) IN THE AGGREGATE ON THE SALE [~~OR USE~~] OF GOODS AND SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF ...

For the Assembly's consideration and for early public distribution; please see the attached draft floor amendments that Assembly Member sponsors as noted on each one had drafted by Counsel intends and to move to amend to AO 2024-105(SA) at the March 18, 2025 regular meeting. These are drafts provided by Counsel, so may be subject to changes prior to being moved, or may not be moved. Sponsors' intent is to have earlier than usual distribution of these draft floor amendments.

Prepared by: Assembly Counsel's Office

Respectfully submitted: Felix Rivera, Assembly Member
District 3, Midtown

Randy Sulte, Assembly Member
District 6, South Anchorage, Girdwood, &
Turnagain Arm

Proposed Amendment #1 to AO 2024-105(SA)

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING A DEDICATED SALES [PROPERTY] TAX AND ECONOMIC DEVELOPMENT MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES ~~[AND USE]~~ TAX OF THREE PERCENT (3%) IN THE AGGREGATE ON THE SALE ~~[OR USE]~~ OF GOODS AND SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF A TWO PERCENT (2%) TAX FOR THE SOLE PURPOSE OF REDUCING PROPERTY TAXES PROPORTIONATELY THROUGHOUT THE MUNICIPALITY WITHIN THE “TAX CAP” CALCULATION, AND A ONE PERCENT (1%) TAX OUTSIDE OF THE TAX CAP DEDICATED FOR ESTABLISHMENT OF A TRUST FUND TO PAY FOR VOTER APPROVED CAPITAL PROJECTS KNOWN AS MUNICIPAL AREA PROJECTS (MAPs);

Submitted by: Assembly Members Rivera and Sulte

PROPOSED AMENDMENT

Purpose/Summary of Amendment: The proposed amendment changes the two component of the taxes so they are each 1.5%, and authorizes conforming amendments necessary to be consistent with this change.

TEXT OF AMENDMENT

(adding new language, [DELETING CURRENT CODE LANGUAGE] and [~~Deleting words proposed by the unamended AO that are not in current code~~])

AO Title, p. 1, beginning at line 7, amending as follows:

... COMPRISED OF A ONE AND ONE-HALF ~~[TWO]~~ PERCENT (1.5~~[2]~~%) TAX FOR THE SOLE PURPOSE OF REDUCING PROPERTY TAXES PROPORTIONATELY THROUGHOUT THE MUNICIPALITY WITHIN THE “TAX CAP” CALCULATION, AND A ONE AND ONE-HALF PERCENT (1.5%) TAX OUTSIDE OF THE TAX CAP DEDICATED FOR ESTABLISHMENT OF A TRUST FUND TO PAY FOR VOTER APPROVED CAPITAL PROJECTS KNOWN AS MUNICIPAL AREA PROJECTS (MAPs); ...

AO preamble, p. 2, beginning at line 26, amending as follows:

WHEREAS, forecasted annual revenue from the tax, based on conservative estimates, is expected to be \$180 million (or \$165M to \$203M in the first full year collections, per the summary of economic effects) with one-half ~~[TWO-THIRDS]~~ going to property tax relief and, one-half ~~[ONE-THIRD]~~ going to Municipal Area Projects approved by the voters after payment of costs of administration, collection

and audit of the tax; and

WHEREAS, the amount of property tax relief is forecasted to be **?% [16%]** or approximately **\$? [\$265]** for each \$100,000 assessed home value in the Municipality, which is a reduction of approximately **~\$? [\$1,195]** to the property tax bill for an average home valued at \$450,000; and

AO Section 2, p. 3, beginning at line 18, amending as follows:

OF A 3% SALES TAX, COMPRISED OF 1.5% [2%] FOR PROPERTY TAX REDUCTION UNDER THE “TAX CAP,” AND 1.5% DEDICATED TO VOTER APPROVED CAPITAL PROJECTS; AND AUTHORIZING USE...

AO Section 2, p. 3, beginning at line 30, amending as follows:

(1) A **one and one-half [two]** percent (**1.5[2]%**) sales tax for the reduction of property taxes under the tax cap. The full amount of this tax revenue, after the costs of administration, collection and audit, shall reduce the amount of property taxes the Municipality collects, dollar for dollar. This is estimated to reduce the overall property tax burden by approximately **\$90 [\$120]** million, or about **?% [16%]** of an average property tax bill.

(2) A one **and one-half** percent (**1.5%**) tax dedicated to fund community infrastructure projects excluded from the Tax Cap calculation and known as Municipal Area Projects (MAPs) approved by the voters. ...

Section 2, p. 5, beginning at line 41, amending as follows:

[the] fiscal year” shall be reduced by an amount equal to the net receipts of the one and one-half [two] percent (1.5[2]%) sales tax collected pursuant to Charter § 14.08(a) in the year said tax is first levied.

Section 2, p. 6, beginning at line 2, amending as follows:

approved by the assembly for the preceding year” shall include the net receipts of the one and one-half [two] percent (1.5[2]%) sales tax collected pursuant to Charter § 14.08(a) the year

Section 2, p. 6, beginning at line 44, amending as follows:

(a) The assembly is hereby authorized to levy, to the extent provided by law, a one and one-half [two] percent (1.5[2]%) tax on the sale of goods and services within the municipality, with exemptions as provided by

law. The proceeds of the 2% sales tax authorized by this section in one fiscal year, after payment of one-half ~~[two-thirds]~~ of the costs of administration, collection and audit to the ...

Section 2, p. 7, beginning at line 9, amending as follows:

establish an investment policy for the Sales Tax Trust Fund by ordinance. The taxes collected used for payment of one-half ~~[two-thirds]~~ of the costs of administration, collection and audit of the taxes ...

Section 2, p. 7, beginning at line 9, amending as follows:

(b) In addition to the tax authorized by subsection (a), the assembly is hereby authorized to levy a one and one-half percent (1.5%) tax on the sale of goods and services within the municipality dedicated to funding Municipal Area Projects (MAPs). ...

Section 2, p. 7, beginning at line 22, amending as follows:

The net receipts from this one and one-half percent (1.5%) sales tax, after payment of one-half ~~[third]~~ of the costs of administration, collection ...

Section 3, p. 10, beginning at line 29, amending as follows:

municipality, except as provided in this chapter. This consists of two separate sales taxes, one of one and one-half ~~[two]~~ percent (1.5~~[2]~~%) for property tax relief, and one of one and one-half percent (1.5%) for funding Municipal Area Projects, as ...

Section 3, p. 10, beginning at line 43, amending as follows:

A. *Property Tax Reduction.* A purpose of this chapter is to provide property tax relief to the property owners of the municipality. The net receipts of the one and one-half ~~[two]~~ percent (1.5~~[2]~~%) sales tax, after payment of one-half ~~[two-thirds (2/3)]~~ of the costs of administration and collection for sales taxes, shall be applied to reduce property taxes uniformly throughout the municipality so the benefits of the reduction in property taxes are shared throughout the municipality. This one and one-half ~~[The two]~~ percent (1.5~~[2]~~%) sales tax obtained by the municipality in one fiscal year shall be restricted to application to the following fiscal year's budget by appropriations for any public purpose. The amount of this one and one-half ~~[the two]~~ percent (1.5~~[2]~~%) sales tax obtained by the municipality in one fiscal year shall be included in the tax increase limitation computation for the next fiscal year as an offset amount of the real and personal property taxes to be collected for that fiscal year.

- B. *Municipal Area Projects (MAPs)*: A purpose of this chapter is to provide funding for Municipal Area Projects (MAPs) recommended and desired by the public. The net receipts of ~~this [the]~~ one and one-half percent (1.5%) sales tax, after payment of one-half (1/2) ~~[the one-third (1/3)]~~ of ~~the~~ costs of administration and collection for sales taxes, shall be dedicated and restricted to funding of Municipal Area Projects for the benefit ...

Section 3, p. 11, beginning at line 27, amending as follows:

- D. The operations, maintenance and safety for constructed and related improvements under Section 12.80.020B. shall be paid out of the proceeds from the one and one-half percent (1.5%) sales tax for MAPs.

Section 3, p. 15, beginning at line 32, amending as follows:

12.80.040 Property Tax Relief 1.5[2]% sales tax.

The one and one-half [the two] percent (1.5[2]%) sales tax levied by Section 12.80.010 and authorized by Charter § 14.08(a), after one-half (1/2) ~~[two-thirds (2/3)]~~ of the costs of administration, collection, and audit to the municipality for the tax, is solely dedicated to ...

Section 3, p. 15, beginning at line 41, amending as follows:

12.80.050 Municipal Area Projects 1.5% sales tax; MAPs Trust Fund.

- A. The net receipts of the one and one-half percent (1.5%) sales tax levied by section 12.80.010 and authorized by Charter § 14.08(b) for Municipal Area Projects, after payment or transfer for one-half [one-third (1/3)] of the costs of administration, collection, and audit to the municipality for the tax, shall be deposited in the MAPs trust fund and managed and administered in accordance with this chapter.
- B. Projects to be funded: The net receipts of the MAPs 1.5% sales tax funds available for funding MAPs projects may be expended only for ...

Section 3, p. 16, beginning at line 46, amending as follows:

- D. No more than 15% of the net receipts of the MAPs 1.5% sales tax funds shall be used to fund existing Municipal facilities, ...

Section 3, p. 21, beginning at line 38, amending as follows:

- A. Pursuant to Charter § 14.08(a), there is established a Dedicated Sales Tax Trust Fund. The Trust Fund is dedicated for the net receipts of **that** ~~[the]~~ **one and one-half** percent (**1.5%**) sales tax, after payment of **one-half** ~~[one-third (1/3)]~~ of the costs of administration, collection and audit to the Municipality. ...

Section 4, p. 25, beginning at line 35, amending as follows:

- a. Real property and personal property taxes to be collected for the current fiscal year reduced by the amount of **1.5%** ~~[2%]~~ sales taxes collected in the prior year, if any, and restricted to reduction of property taxes.

Section 4, p. 2, beginning at line 5, amending as follows:

8. The taxes used for payment of costs of administration, collection and audit to the municipality from the **one and one-half** ~~[two]~~ percent (**1.5**~~[2]~~%) sales tax authorized by Charter § 14.08(a).
9. The gross receipts of the one **and one-half** percent (1.5%) sales taxes authorized by Charter § 14.08(b).

AND AUTHORIZING the Municipal Clerk to make conforming amendments throughout the ordinance and accompanying memoranda and exhibits or attachments, and subsequent amendments thereto, consistent with this amendment.

Will there be any public or private economic effect to the proposed amendment?

☒ YES ☐ NO (check one) **If yes, please detail below.**

The proposed amendment will provide less property tax relief to property owners, and a greater amount for MAPs, approximately gross revenues of \$90 Million for each tax.

Proposed Amendment #2 to AO 2024-105(SA)

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING A DEDICATED SALES [PROPERTY] TAX AND ECONOMIC DEVELOPMENT MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES ~~[AND USE]~~ TAX OF THREE PERCENT (3%) IN THE AGGREGATE ON THE SALE ~~[OR USE]~~ OF GOODS AND SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF

Submitted by: Assembly Members Rivera and Sulte

PROPOSED AMENDMENT

Purpose/Summary of Amendment: This proposed amendment clarifies that the current Assembly is expressing its intent that when the temporary sales tax is considered for reauthorization it should apply to marijuana and alcohol, but that this cannot legally bind or constrain the future Assembly or voters to that intent.

TEXT OF AMENDMENT

(adding new language, [DELETING CURRENT CODE LANGUAGE] and [~~Deleting words proposed by the unamended AO that are not in current code~~])

AO Section 7, p. 27, beginning at line 31, amending as follows:

Section 7. It is the policy intent of the current Municipal Assembly that if the sales tax should be approved by the voters and a subsequent sales tax is put before the voters, the retail sales of alcohol beverages as defined in chapter 12.65 as well as marijuana or marijuana products as defined in chapter 12.50 shall be included as taxable items within the subsequent sales tax proposal. **Nothing in this section should be construed as a requirement on any future Municipal Assembly.**

Will there be any public or private economic effect to the proposed amendment?

☐ YES ☒ NO (check one) If yes, please detail below.

Proposed Amendment #3.1 to AO 2024-105(SA)

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING A DEDICATED SALES [PROPERTY] TAX AND ECONOMIC DEVELOPMENT MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES ~~[AND USE]~~ TAX OF THREE PERCENT (3%) IN THE AGGREGATE ON THE SALE ~~[OR USE]~~ OF GOODS AND SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF

Submitted by: Assembly Members Rivera and Sulte

PROPOSED AMENDMENT

Purpose/Summary of Amendment: This proposed amendment addresses the concerns of nonprofits and the administration of the exemption for sales or purchases by nonprofit organizations. These changes lighten the administrative burden on the municipality for monitoring or auditing the nonprofit exemption usage and makes it efficient and rapid for nonprofits to apply for exemption registration and begin using their federal tax identification number for sales and purchases.

TEXT OF AMENDMENT

(adding new language, [DELETING CURRENT CODE LANGUAGE] and [Deleting words proposed by the unamended AO that are not in current code])

AO Section 3, p. 14, beginning at line 4, amending as follows:

Nonprofit Exemption shall mean certification of the nonprofit organization qualifying as an “Exempt Purchaser” by the municipality through an online registration process as required by this chapter. Upon certification through the online registration process, the nonprofit exempt purchaser shall provide their federal tax identification number to a seller at the time of purchase in order to obtain the permitted exemption

Nonprofit Organization shall mean a business or organization that has been granted tax-exempt status by the Internal Revenue Service. **Nonprofit organizations may be registered for exempt purchases and sales as described in subsection 12.80.070D.**

AO Section 3, p. 20, beginning at line 35, amending as follows:

13. **Sales and [P]urchases** made by nonprofits. The Municipality shall develop an online registration for certifying that a nonprofit is eligible for exemption as a “nonprofit exempt purchaser,” at no cost to the nonprofit. Upon certification the nonprofit exempt purchaser shall provide their federal tax

identification number to a seller of goods at the time of purchase in order to obtain the permitted exemption.

AO Section 3, p. 21, beginning at line 1, amending as follows:

- D. The following sales are exempt from the taxes imposed by this chapter, provided the seller or purchaser, as applicable is in possession of a valid certificate of exemption, or in the case of a nonprofit organization has been certified through an online process as required by this chapter, and presents their federal tax identification number to a seller:

Will there be any public or private economic effect to the proposed amendment?
☐ YES ☒ NO (check one) If yes, please detail below.

Proposed Amendment #4 to AO 2024-105(SA)

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING A DEDICATED SALES [PROPERTY] TAX AND ECONOMIC DEVELOPMENT MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES ~~[AND USE]~~ TAX OF THREE PERCENT (3%) IN THE AGGREGATE ON THE SALE ~~[OR USE]~~ OF GOODS AND SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF

Submitted by: Assembly Members Riviera and Sulte

PROPOSED AMENDMENT

Purpose/Summary of Amendment: This proposed amendment explicitly exempts all sales of services by a person or entity licensed to provide such services under Alaska Statutes Title 47, *Welfare, Social Services, and Institutions*. At the town halls we learned it was important to the community that services provided by assisted living homes or senior care facilities, and sales of personal care services, are not subject to the sales tax. A convenient and fair way to provide for such exemption is to exempt all services provided as authorized by a license issued under Title 47. The list of entities/services that require a license, as listed in the central licensing section AS 47.32.010(b)-(c):

(b) The following entities are subject to this chapter and regulations adopted under this chapter by the Department of Health:

- (1) ambulatory surgical centers;
- (2) assisted living homes;
- (3) child care facilities;
- (4) freestanding birth centers;
- (5) home health agencies;
- (6) hospices, or agencies providing hospice services or operating hospice programs;
- (7) hospitals;
- (8) host care homes;
- (9) intermediate care facilities for individuals with an intellectual disability or related condition;
- (10) maternity homes;
- (11) nursing facilities;
- (12) residential child care facilities;
- (13) residential psychiatric treatment centers;
- (14) rural health clinics;
- (15) subacute mental health facilities.

(c) The following entities are subject to this chapter and regulations adopted under this chapter by the Department of Family and Community Services:

- (1) child placement agencies;
- (2) foster homes;
- (3) runaway shelters.

TEXT OF AMENDMENT

(adding new language, [DELETING CURRENT CODE LANGUAGE] and [Deleting words proposed by the unamended AO that are not in current code])

AO Section 3, p. 20, beginning at line 46, amending to add a new subsection as follows:

- 15. Sales of all services and goods provided or sold by an entity or person, and their employees and agents, that is licensed or certified under Title 47 of the Alaska statutes for the provision of such services and incidental sale of goods related to such services.**

Will there be any public or private economic effect to the proposed amendment?

☐ YES ☒ NO (check one) **If yes, please detail below.**

Proposed Amendment #5 to AO 2024-105(SA)

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING A DEDICATED SALES [PROPERTY] TAX AND ECONOMIC DEVELOPMENT MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES ~~[AND USE]~~ TAX OF THREE PERCENT (3%) IN THE AGGREGATE ON THE SALE ~~[OR USE]~~ OF GOODS AND SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF

Submitted by: Assembly Member Brawley

PROPOSED AMENDMENT

Purpose/Summary of Amendment: Removes 7-year automatic sunset of the tax, making the sales tax itself permanent, and limiting dedicated uses as listed. Voter approval would be required to change the dedicated uses via Charter amendment, so any future changes presumably would still be brought to voters.

TEXT OF AMENDMENT

(adding new language, [DELETING CURRENT CODE LANGUAGE] and [Deleting words proposed by the unamended AO that are not in current code])

AO Title, p. 1, beginning at line 7, amending as follows:

PROPORTIONALLY BETWEEN THE TAXES; PROVIDING FOR A MAPs CITIZENS ADVISORY BOARD; ~~[PROVIDING A LIMITED TERM OF SEVEN (7) YEARS FOR THE AGGREGATED 3% SALES] [AND USE] [TAX LEVY]~~; AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 12.25 REGARDING THE TAX INCREASE LIMITATION; ADDING A NEW CHAPTER TO

AO preamble, p. 2, beginning at line 22, amending as follows:

~~[WHEREAS, the term of the tax would be limited to no more than seven (7) full calendar years from the start of the tax levy and collections, excluding the initial partial year; and]~~

AO Section 2, p. 3, beginning at line 25, amending as follows:

The proposed Charter Amendment and Assembly Ordinance 2024-___ would authorize and enact an [seven (7) calendar year term-limited] aggregated three percent (3%) sales tax on the sale of goods and services within the ...

AO Section 2, p. 5, beginning at line 45, amending as follows:

- (4) For the calendar year after the one in subsection (3) and thereafter [continuing for seven calendar years], “the total amount approved by the assembly for the preceding year” shall ...

AO Section 2, p. 8, beginning at line 22, amending as follows:

- (c) The taxes authorized by this section shall first be levied no earlier than July 1, 2027 and no later than February 1, 2028, as determined by the assembly by ordinance. [The tax levies shall sunset and be repealed effective at 11:59 p.m. on December 31 of the seventh full calendar year following the date the tax was first levied.]

AO Section 2, p. 9, beginning at line 33, amending as follows:

election, and the sales tax levy will become effective no later than February 1, 2028, with the date of initial levy to be established by the Anchorage Assembly by ordinance. **[The sales tax levy will be repealed automatically on December 31 of the seventh full calendar year after it is first levied.]**

Shall the Charter be amended as shown above and become law, authorizing a **[temporary,]** dedicated use aggregated 3% sales tax, and the MAPs listed above be authorized?

AO Section 3, p. 10, beginning at line 34, amending as follows:

- B. The aggregated sales taxes levied by this section shall be collected **[for a limited term]** beginning **no earlier than [at]** 12:01 a.m. on July 1, 2027, **and no later than February 2, 2028 [for the remainder of that year, plus seven (7) full calendar years until 11:59 p.m. on December 31, 2035 when it shall be repealed by operation of law].**

AND AUTHORIZING the Municipal Clerk to make conforming amendments throughout the ordinance and accompanying memoranda and exhibits or attachments, and subsequent amendments thereto, consistent with this amendment.

<p>Will there be any public or private economic effect to the proposed amendment? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (check one) If yes, please detail below.</p>
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This affects revenue/expense beyond 7 years, with staffing to administer the tax ongoing as well as revenue collections.

Proposed Amendment #6 to AO 2024-105(SA)

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING A DEDICATED SALES [PROPERTY] TAX AND ECONOMIC DEVELOPMENT MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES ~~[AND USE]~~ TAX OF THREE PERCENT (3%) IN THE AGGREGATE ON THE SALE ~~[OR USE]~~ OF GOODS AND SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF

Submitted by: Assembly Vice Chair Zaletel

PROPOSED AMENDMENT

Purpose/Summary of Amendment: This proposed amendment combines the trailside facilities MAPs into one, not specifying the greenbelt or park where they are to be located, and deletes the Children's Museum from the MAPs list. However, a children's museum could be included in one of the other MAPs where it is in alignment with project parameters.

TEXT OF AMENDMENT

(adding new language, [DELETING CURRENT CODE LANGUAGE] and [~~Deleting words proposed by the unamended AO that are not in current code~~])

AO Section 2, p. 4, beginning at line 9, amending as follows:

1. ~~[Kincaid]~~ Trailside Facilities[y] – full-service indoor facilities[y] with space for year-round recreation amenities like food and beverage concessions, outdoor gear rentals, and gathering space. May replace existing facilities or construct new ones.
2. Affordable housing development funding – the assembly to determine by ordinance the amount of funding to dedicate to this project and approve affordable housing development projects. The oversight board to recommend projects and costs to fund. ~~[Goose Lake Trailside Facility – replacement of existing structure with full-service indoor facility with space for year-round recreation amenities like food and beverage concessions, outdoor gear rentals, and gathering space.]~~
3. Development of Tract B Cook Subdivision, Formerly Known as National Archives — Municipal participation in the proposed development of the National Archives site focused on housing through the following means: infrastructure, land, or direct investments including public private partnerships.
4. Downtown Arts and Entertainment Redevelopment – upgrade the Performing Arts Center and improve downtown core pedestrian experience with lighting, wayfinding, walkways, and other pedestrian

- infrastructure.
5. East Anchorage Sports Center – indoor sports center including an indoor track, open turf space, court space, and other features.
 6. ~~[Anchorage Children's Museum – a facility offering exhibits and programs designed for children.]~~

AO Section 3, p. 16, beginning at line 9, amending as follows:

1. ~~[Kincaid]~~ Trailside Facilities[y] – full-service indoor facilities[y] with space for year-round recreation amenities like food and beverage concessions, outdoor gear rentals, and gathering space. May replace existing facilities or construct new ones.
2. Affordable housing development funding – the assembly to determine by ordinance the amount of funding to dedicate to this project and approve affordable housing development projects. The oversight board to recommend projects and costs to fund. ~~[Goose Lake Trailside Facility – replacement of existing structure with full-service indoor facility with space for year-round recreation amenities like food and beverage concessions, outdoor gear rentals, and gathering space.]~~
3. Development of Tract B Cook Subdivision, Formerly Known as National Archives — Municipal participation in the proposed development of the National Archives site focused on housing through the following means: infrastructure, land, or direct investments including public private partnerships.
4. Downtown Arts and Entertainment Redevelopment – upgrade the Performing Arts Center and improve downtown core pedestrian experience with lighting, wayfinding, walkways, and other pedestrian infrastructure.
5. East Anchorage Sports Center – indoor sports center including an indoor track, open turf space, court space, and other features.
6. ~~[Anchorage Children's Museum – a facility offering exhibits and programs designed for children.]~~

<p>Will there be any public or private economic effect to the proposed amendment? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO (check one) If yes, please detail below.</p>
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Proposed Amendment #7 to AO 2024-105(SA)

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING A DEDICATED SALES [PROPERTY] TAX AND ECONOMIC DEVELOPMENT MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES ~~[AND USE]~~ TAX OF THREE PERCENT (3%) IN THE AGGREGATE ON THE SALE ~~[OR USE]~~ OF GOODS AND SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF

Submitted by: Assembly Vice Chair Zaletel

PROPOSED AMENDMENT

Purpose/Summary of Amendment: This proposed amendment increases the maximum taxable transaction amount from \$2,500 to \$5,000.

TEXT OF AMENDMENT

(adding new language, [DELETING CURRENT CODE LANGUAGE] and [~~Deleting words proposed by the unamended AO that are not in current code~~])

AO preamble, p. 2, beginning at line 18, amending as follows:

WHEREAS, there will be a \$5,000 [~~\$2,500~~] cap on the amount of a purchase transaction subject to the sales taxes, limiting the amount of tax paid to a maximum of \$150 [~~\$75~~] per transaction; and

AO Section 3, p. 18 beginning at line 42, amending as follows:

B. *Maximum tax per transaction.* Only the first \$5,000 [~~\$2,500.00~~] of the price in each transaction shall be subject to sales tax levied under this chapter, the amount in excess in each transaction is excluded and not taxable. This rule applies as follows in the circumstances described:

1. The payment of rent for personal property in excess of \$5,000 [~~\$2,500.00~~], and for more than one month shall be treated as separate transactions covering the rental for one month each. A transaction involving payment for services to be rendered or delivered over a period of more than one month for a consideration in excess of \$5,000 [~~\$2,500.00~~] shall be treated as separate transactions occurring one each month over the period of time that the service is rendered.

AND AUTHORIZING the Municipal Clerk to make conforming amendments throughout the ordinance and accompanying memoranda and exhibits or

attachments, and subsequent amendments thereto, consistent with this amendment.

Will there be any public or private economic effect to the proposed amendment?

☒ YES ☐ NO (check one) **If yes, please detail below.**

Large transactions will generate more revenues. An estimate of the change in economic effects is not available at the time of drafting this amendment.

DRAFT

Proposed Amendment #8 to AO 2024-105(SA)

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING A DEDICATED SALES [PROPERTY] TAX AND ECONOMIC DEVELOPMENT MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES ~~[AND USE]~~ TAX OF THREE PERCENT (3%) IN THE AGGREGATE ON THE SALE ~~[OR USE]~~ OF GOODS AND SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF

Submitted by: Assembly Vice Chair Zaletel

PROPOSED AMENDMENT

Purpose/Summary of Amendment: This proposed amendment changes the special election date to September 9, so it is not the Tuesday following the Labor Day weekend.

TEXT OF AMENDMENT

(adding new language, [DELETING CURRENT CODE LANGUAGE] and [~~Deleting words proposed by the unamended AO that are not in current code~~])

AO Section 1, p. 3 beginning at line 9, amending as follows:

Section 1. Pursuant to state law and the Anchorage Municipal Charter, a ballot proposition in substantially the same form as appear in Section 2 below shall be placed on the ballot and submitted to the qualified voters of the Municipality at a special municipal election to be held on September 9 [2], 2025.

AO Section 2, p. 9, beginning at line 29, amending as follows:

If approved by more than 50% of the qualified voters voting on the question at the September 9 [2], 2025 Special Election, the Charter amendments will become effective 30 days after certification of the ...

AO Section 8, p. 27, beginning at line 39, amending as follows:

Section 8. The Assembly hereby calls and authorizes a special election of the qualified voters areawide within the Municipality of Anchorage to be held on September 9 [2], 2025, to vote on the proposition set forth in this ordinance. The Municipal Clerk is hereby authorized to take actions reasonable and necessary to conduct said special election.

AO Section 9, p. 28, beginning at line 2, amending as follows:

on the proposition during the special Anchorage Municipal election held on September 9 [2], 2025. The remainder of this ordinance shall be effective upon passage and approval.

AND AUTHORIZING the Municipal Clerk to make conforming amendments throughout the ordinance and accompanying memoranda and exhibits or attachments, and subsequent amendments thereto, consistent with this amendment.

Will there be any public or private economic effect to the proposed amendment?
☐ YES ☒ NO (check one) **If yes, please detail below.**

Proposed Amendment #9 to AO 2024-105(SA)

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY PROPOSING A DEDICATED SALES [PROPERTY] TAX AND ECONOMIC DEVELOPMENT MEASURE TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES ~~[AND USE]~~ TAX OF THREE PERCENT (3%) IN THE AGGREGATE ON THE SALE ~~[OR USE]~~ OF GOODS AND SERVICES WITHIN THE MUNICIPALITY, WITH CERTAIN EXEMPTIONS, A MAXIMUM TAX AMOUNT PER TRANSACTION, COMPRISED OF

Submitted by: Assembly Vice Chair Zaletel

PROPOSED AMENDMENT

Purpose/Summary of Amendment: This proposed amendment changes the household exemption calculation to be based on 50% of the area median income (AMI) as determined by HUD. In 2024 HUD reported, through the Census Bureau, that Anchorage had a median household income in 2023 dollars for the years 2019-2023 of \$98,152; thus with this amendment if the sales tax applied this year a household with income at or below \$49,076 would qualify for the household exemption program.

TEXT OF AMENDMENT

(adding new language, [DELETING CURRENT CODE LANGUAGE] and [~~Deleting words proposed by the unamended AO that are not in current code~~])

AO preamble, p. 2 beginning at line 15, amending as follows:

WHEREAS, to reduce the regressive effect of a general retail sales tax, the proposal recommends a household exemption component in which the Assembly determines a process whereby Anchorage households with annual income at or below **50% of the area median income as determined by HUD** [~~the 80% federal poverty line~~] may apply for exemption from the sales tax altogether, and

AO Section 3, p. 13, beginning at line 12, amending as follows:

Household Exemption shall mean the exemption of households with annual income at or below **50% of the area median income as determined by HUD** [~~federal level of eighty-percent (80%) poverty~~] from the provisions of this sales tax.

AO Section 3, p. 21, beginning at line 26, amending as follows:

G. The Administration shall establish a Universal Municipal Services Application process allowing households to qualify for, among other services administered by the Municipality, a household exemption from the

sales tax. Households with incomes at or below 50% of the area median income as determined by HUD ~~[the federal level of eighty percent (80%) poverty]~~ shall be exempt from the sales tax on retail purchases. The implementation of this section shall be determined by the ...

AND AUTHORIZING the Municipal Clerk to make conforming amendments throughout the ordinance and accompanying memoranda and exhibits or attachments, and subsequent amendments thereto, consistent with this amendment.

Will there be any public or private economic effect to the proposed amendment?
☐ YES ☒ NO (check one) **If yes, please detail below.**