

CLERK'S OFFICE

APPROVED

Date: 12-13-11

ANCHORAGE, ALASKA

AR NO. 2011-347

Submitted by: ASSEMBLY MEMBER FLYNN

Prepared by: Assembly Counsel

For reading: December 13, 2011

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY IN SUPPORT OF
ALLOCATING 100 PERCENT OF THE EXISTING ALCOHOLIC BEVERAGE TAX
RECEIPTS TO FUND ADDITIONAL TREATMENT SERVICES IN RECOGNITION OF THE
OVERWHELMING UNMET DEMAND FOR SUBSTANCE ABUSE TREATMENT IN
ALASKA.**

WHEREAS alcohol and drug abuse are an epidemic in Alaska; and

WHEREAS Alaska consistently ranks among the top five states for alcohol and drug
dependence; and

WHEREAS Alaska ranks eighth nationally for the percentage of people ages 18 years
and older who need but do not receive treatment for illicit drug use; and

WHEREAS alcohol is a factor in an estimated 85 percent of reported cases of
domestic violence and 80 percent of sexual assaults; and

WHEREAS the 2005 Advisory Board on Alcohol and Drug Abuse through the Alaska
Department of Health and Social Services found that the economic costs of alcoholism and
other drugs in Alaska annually include \$367 million due to productivity loss in the workplace,
\$154 million on criminal justice and productive services, \$178 million on health care,
\$35 million on traffic crashes, and \$4 million for public assistance; and

WHEREAS Treatment has been shown to have a benefit-cost ratio of 7:1, and the
largest savings are due to reduced cost of crime and increased employer earnings; and

WHEREAS according to the latest federal Substance Abuse and Mental Health
Services Administration (SAMHSA) reports, between 43,000 and 57,000 Alaskans age 12 or
over abused or were dependent on alcohol or an illicit drug; and

WHEREAS under AS 43.60.050 (a), 50% of the taxes collected under the Alcoholic
Beverage Tax (43.60.010) are deposited in the Alcohol and Other Drug Abuse Treatment and
Prevention Fund; and

WHEREAS Alaska is projected to collect nearly \$40 million in total existing alcohol tax
receipts for Fiscal Year 2012; and

WHEREAS, there is an overwhelming unmet demand for substance abuse treatment
in Alaska; and

WHEREAS tax monies collected from the sale of alcohol should be used to prevent
and treat substance abuse; and

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2 WHEREAS the Cabaret, Hotel, Restaurant & Retailers Association, Alaska Wine and
3 Spirit Wholesalers, social service organizations, treatment providers, and faith-based
4 organizations support increasing funds for substance abuse treatment in Alaska;
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6 NOW THEREFORE BE IT RESOLVED that the Anchorage Assembly, in recognition of
7 the overwhelming unmet demand for substance abuse treatment in Alaska, supports
8 allocating 100 percent of the receipts from the existing Alcoholic Beverage Tax to fund
9 additional substance abuse treatment services in Alaska, rather than supplanting current
10 funding for the limited services presently available.

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12 PASSED AND APPROVED by the Anchorage Assembly this 13th day of
13 December, 2011.

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16 Debbie Ossander
17 Chair
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20 ATTEST:

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23 Brian S. Jovant
24 Municipal Clerk
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December 6, 2011

Dear Assembly Members;

The Anchorage Cabaret, Hotel, Restaurant & Retailers Association (CHARR) supports depositing 100 percent of the receipts from the existing Alcoholic Beverage Tax into the Alcohol and Other Drug Abuse Treatment and Prevention Fund, and requests that these funds be allocated into the budget to provide additional treatment services rather than supplanting current services.

Currently, only half of the revenue from the existing alcohol tax is used for substance abuse treatment and prevention. Alaska consistently ranks among the top five states for alcohol and drug dependence. Alaskans who seek treatment must be able to find and enter into treatment programs. There are far too few options available, and when someone needs help they often face long wait times. Substance abuse treatment services continue to be underfunded statewide, leaving individuals to continue the costly and tragic cycle of addiction.

According to the Federation of Tax Administrators, Alaska's alcohol tax is 3.5 to 4 times the national average which means Alaska has one of the highest excise tax rates on alcohol in the nation. These taxes produce over 38 million dollars annually, but sadly the majority of this tax revenue is not used to combat the problems related to the abuse and misuse of alcohol.

Alaska's hospitality industry pays the state government its fair share in taxes, and we support the use of this revenue to provide cost-effective, evidence based and readily available treatment. Anchorage CHARR respectfully requests that you support this effort, and take action to ensure 100 percent of the existing alcohol tax revenue goes towards substance abuse treatment.

Sincerely,

Silvia Villamides, executive director