

Appendix R

Alcoholic Beverages Retail Sales Tax Program

Purpose

The net receipts from the alcoholic beverages retail sales tax, after payment of the costs of administration, collection, and audit to the municipality, are dedicated and shall be available to use only for:

- Funding for police, related criminal justice personnel, and first responders
- Funding to combat and address child abuse, sexual assault, and domestic violence
- Funding for substance misuse treatment, prevention programs, detoxification or long-term addiction recovery facilities, mental and behavioral health programs, and resources to prevent and address Anchorage's homelessness crisis.

The dedicated net receipts shall only be used to provide additional service levels above the 2020 baseline. The net receipts described shall not be used to supplant funding for existing service levels contained in the actual operating budget for fiscal year 2020 and the funding to provide for and maintain that level of service in subsequent years.

Description

Ordinance AO 2019-148(S-1), As Amended submitted to the qualified voters of the Municipality of Anchorage at the regular municipal election on April 7, 2020 as Proposition 13 passed 51.24% yes to 48.76% no. Proposition 13 amends the Anchorage Municipal Charter by adding a new Section 14.07 Alcoholic beverages retail sales tax. The assembly is authorized to levy a five percent (5%) tax on all retail sales of alcoholic beverages. The tax levy shall be effective February 1, 2021.

No increase of the alcoholic beverages retail sales tax above five percent (5%) or change of the use of its proceeds may be made without approval of the majority of qualified voters voting on the question.

At least 120 days before the end of the fiscal year of the municipality and at such other times as the assembly directs, the mayor shall submit to the assembly a report of the tax revenues collected and expended. The report of expenses shall be itemized by each authorized use or purpose and presented to the public.

AO 2020-57(S), passed and approved by the Anchorage Assembly on June 23, 2020 added Anchorage Municipal Code (AMC) Chapter 12.65, Alcoholic Beverages Retail Sales Tax to establish the requirements and procedures for the administration, collection, and enforcement of the alcoholic beverages retail sales tax.

In accordance with AO 2019-148(S-1), As Amended, Section 3. the Municipality created fund 206000 Alcoholic Beverages Retail Sales Tax Fund to account for the revenues and expenditures of the tax proceeds.

Fund 206000 Summary Alcohol Tax

(Fund Center # 101300, 107100, 111200, 115500, 134300, 189300, 244400,
244500, 244600, 353200, 450200, 511700, 536000, 536100, 551200)

	2022 Actuals Unaudited	2023 Revised	2024 Approved	24 v 23 % Chg
Direct Cost by Fund Center				
Assembly (101300)	77,901	300,000	450,000	50.00%
Equity & Justice (107100)	174	-	-	-
Legal First Responders (115500)	183,734	266,986	276,463	3.55%
Treasury Revenue Management (134300)	233,872	272,106	284,703	4.63%
Chief Fiscal Officer (137200) - Homelessness & Mental Health	1,455,000	-	-	-
Health (244400) Mental Health & Substance Misuse	-	230,000	2,330,000	913.04%
Health (244500) Homelessness & Mental Health	7,825,125	8,528,968	8,322,415	-2.42%
Health (244600) Child Abuse / SADVP	2,066,047	6,442,059	6,774,336	5.16%
Fire (3532) First Responders	503,102	2,380,159	-	-100.00%
Police (3532) First Responders	872,488	820,744	1,167,421	42.24%
Community Development (511700)	-	250,000	-	-100.00%
Library (53600) Homelessness & Mental Health	142,320	333,485	361,519	8.41%
Library (53610) Child Abuse / SADVP	118,002	272,523	377,120	38.38%
Parks & Recreation (551200) Homelessness & Mental Health	644,198	615,704	645,830	4.89%
Direct Cost Total	14,121,964	20,712,734	20,989,807	1.34%
Intragovernmental Charges				
Charges by/to Other Departments	73,967	225,642	79,455	-64.79%
Function Cost Total	14,195,932	20,938,376	21,069,262	0.63%
Program Generated Revenue	(16,076,512)	(16,000,150)	(16,607,150)	3.79%
Net Cost Total	(1,880,580)	4,938,226	4,462,112	-9.64%
Direct Cost by Category				
Salaries and Benefits	3,215,721	5,223,019	2,918,114	-44.13%
Supplies	59,848	184,340	117,893	-36.05%
Travel	20,080	-	-	-
Contractual/Other Services	10,826,316	15,305,375	17,953,800	17.30%
Debt Service	-	-	-	-
Equipment, Furnishings	-	-	-	-
Direct Cost Total	14,121,964	20,712,734	20,989,807	1.34%
Position Summary as Budgeted				
Full-Time	24	29	23	-20.69%
Part-Time	3	3	3	-
Position Total	27	32	26	-18.75%

Alcoholic Beverages Retail Sales Tax Program Reconciliation from 2023 Revised Budget to 2024 Approved Budget

	Function Costs	Positions		
		FT	PT	Seas/T
2023 Revised Budget	20,938,376	25	4	3
2023 One-Time Requirements				
- <u>Health</u> - Reverse ONE-TIME - 2023 1Q 19 Alc Tax - Additional funding for early education grants and evidence-based grants to providers	(2,000,000)	-	-	-
- <u>Library</u> - Reverse - ONE-TIME - 2023 1Q 2 Alc Tax - A direct grant to Best Beginnings, an Anchorage-based public-private partnership.	(150,000)	-	-	-
- <u>Fire</u> - Reverse - ONE-TIME - 2023 1Q 1 Alc Tax - Purchase of equipment in response to polyfluorinated substances (PFAS) concerns.	(100,000)	-	-	-
- <u>Community Development</u> - Reverse - ONE-TIME - 2023 1Q 20 Alc Tax - Startup costs to get the former Golden Lion up and running as low-income housing.	(250,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 5A Alc Tax - Housing and homelessness response - Grant to Complex Care Facility for operations	(500,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 5A Alc Tax - Housing and homelessness response - grant to Brother Francis Shelter for continuation funding to endure increased capacity at 120 permanently	(225,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 5A Alc Tax - Housing and homelessness response - Grant to Covenant House for day shelter services year-round for up to 50 transition age youth	(330,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 4A Alc Tax - Extension of operations at the Sullivan Arena	(326,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 5BA Alc Tax - Housing and homelessness response - Grant to the Anchorage Affordable Housing and Land Trust to assist with (1) homelessness prevention for individuals staying at their facilities, (2) enhanced staffing operations, to include security, during year one operations at their facilities, and (3) technical assistance and training staff.	(250,000)	-	-	-
- <u>Health</u> - Reverse - ONE-TIME - 2023 1Q 3 Alc Tax - A direct grant to Providence for a Crisis Stabilization Center	(1,000,000)	-	-	-
- <u>Police</u> - Reverse - ONE-TIME - Mobile Intervention Team (MIT) funding aligned with approval AR 2023-049(S)	389,866	-	-	-
Transfers by/to Other Departments				
- Intragovernmental Charges (IGCs)	20,834	-	-	-
Changes in Existing Programs/Funding for 2024				
- <u>Finance</u> - salaries and benefits adjustments	12,597	-	-	-
- <u>Fire</u> - salaries and benefits adjustments - non-labor budget used to fund two (2) Medical Officers and one (1) Administrative Services Associate	-	3	-	-
- <u>Health</u> - salaries and benefits adjustments	24,447	-	-	-
- <u>Library</u> - salaries and benefits adjustments	32,631	-	-	-
- <u>Municipal Attorney</u> - salaries and benefits adjustments	9,477	-	-	-
- <u>Parks & Recreation</u> - salaries and benefits adjustments	30,126	-	-	-
- <u>Police</u> - salaries and benefits adjustments	38,725	-	-	-
2024 Continuation Level	16,366,079	28	4	3

Alcoholic Beverages Retail Sales Tax Program Reconciliation from 2023 Revised Budget to 2024 Approved Budget

	Function Costs	Positions		
		FT	PT	Seas/T
2024 Proposed Budget Changes				
- <u>Health</u> - Early Education grants to providers	282,277	-	-	-
- <u>Library</u> - A direct grant to Best Beginnings, an Anchorage-based public-private partnership	250,000	-	-	-
- <u>Police</u> - Split cost of Mobile Intervention Team 50/50 alcohol tax & general government	(291,206)	-	-	-
2024 Assembly Amendments				
- 2024 Assembly Amendment #52, Line 10, MIT to APD GG ops	(340,708)	-	(4)	-
- 2024 Assembly Amendment #13, Mobile Crisis Team to AFD GG ops	(2,447,180)	(5)	-	-
- 2024 Assembly Amendment #54, Line 1, ONE-TIME Non-critical transportation for Emergency Cold Weather Shelter (ECWS) clients	200,000	-	-	-
- 2024 Assembly Amendment #54, Line 2, ONE-TIME ECWS funding Jan-April	2,000,000	-	-	-
- 2024 Assembly Amendment #54, Line 3, ONE-TIME ECWS for Covenant House	200,000	-	-	-
- 2024 Assembly Amendment #55, Line 1, Increase to behavioral health, remove direct grants to Recover Ak, VoA, and AFSP info campaign	100,000	-	-	-
- 2024 Assembly Amendment #55, Line 2, Increase grants to AWAIC, STAR, VFJ	300,000	-	-	-
- 2024 Assembly Amendment #55, Line 3, ONE-TIME training modules for APD	550,000	-	-	-
- 2024 Assembly Amendment #55, Line 4, ONE-TIME professional service contracts for housing initiatives	150,000	-	-	-
- 2024 Assembly Amendment #55, Line 5, ONE-TIME Anchorage Safety Center / Community Patrol	2,000,000	-	-	-
- 2024 Assembly Amendment #55, Line 6, ONE-TIME Anchorage Childrens Trust grant carryover	1,750,000	-	-	-
2024 Mayor Vetoes				
- Strike: 2024 Assembly Amendment #52, Line 10, MIT to APD GG ops	340,708	-	4	-
- Strike: 2024 Assembly Amendment #13, Mobile Crisis Team to AFD GG ops	2,447,180	5	-	-
- Strike: 2024 Assembly Amendment #55, Line 1, Increase to behavioral health, remove direct grants to Recover Ak, VoA, and AFSP info campaign	(100,000)	-	-	-
- Strike: 2024 Assembly Amendment #55, Line 4, ONE-TIME professional service contracts for housing initiatives	(150,000)	-	-	-
2024 Veto Overrides				
- Override Strike: 2024 Assembly Amendment #52, Line 10, MIT to APD GG ops	(340,708)	-	(4)	-
- Override Strike: 2024 Assembly Amendment #13, Mobile Crisis Team to AFD GG ops	(2,447,180)	(5)	-	-
- Override Strike: 2024 Assembly Amendment #55, Line 1, Increase to behavioral health, remove direct grants to Recover Ak, VoA, and AFSP info campaign	100,000	-	-	-
- Override Strike: 2024 Assembly Amendment #55, Line 4, ONE-TIME professional service contracts for housing initiatives	150,000	-	-	-
2024 Approved Budget	21,069,262	23	-	3

2023 Revised to 2024 Approved Alcohol Tax Reconciliation by Program

Line	Department / Agency	Category and Description	(1) Time / Recurring	Function Cost (Direct + IGCs)							2024 Approved Budget	
				2023 Revised Budget	REVERSE One-Time Amendments	Continuation	Proposed Changes	2024 Proposed Budget	Assembly Amends	Mayor Vetoes		Veto Overrides
<u>Child Abuse, Sexual Assault, and Domestic Violence</u>												
1	Health	Early education grants to providers	R	1,999,850	-	-	282,277	2,282,127	-	-	-	2,282,127
2	Health	Evidence-based grants to providers	R	4,000,000	(2,000,000)	-	-	2,000,000	-	-	-	2,000,000
3	Health	Evidence-based grant to Abused Women's Aid in Crisis (AWAIC)	R	125,000	-	-	-	125,000	100,000	-	-	225,000
4	Health	Evidence-based grant to Standing Together Against Rape (STAR)	R	125,000	-	-	-	125,000	100,000	-	-	225,000
5	Health	Evidence-based grant to Victims for Justice	R	125,000	-	-	-	125,000	100,000	-	-	225,000
6	Health	Anchorage Childrens' Trust	1	-	-	-	-	-	1,750,000	-	-	1,750,000
7	Health	Program operations	R	67,675	-	-	-	67,675	-	-	-	67,675
8	Library	Early Literacy program operations	R	128,357	-	4,835	-	133,192	-	-	-	133,192
9	Library	Best Beginnings	R	150,000	(150,000)	-	250,000	250,000	-	-	-	250,000
10	Subtotal Child Abuse, Sexual Assault, and Domestic Violence			\$ 6,720,882	\$ (2,150,000)	\$ 4,835	\$ 532,277	\$ 5,107,994	\$ 2,050,000	\$ -	\$ -	\$ 7,157,994
11												
12	<u>First Responders</u>											
13	Fire	Mobile Crisis Team (MCT)	R	2,447,180	-	-	-	2,447,180	(2,447,180)	2,447,180	(2,447,180)	-
14	Fire	Polyfluorinated (PFAS) substances response equipment	1	100,000	(100,000)	-	-	-	-	-	-	-
15	Municipal Attorney	Program operations	R	267,989	-	9,518	-	277,507	-	-	-	277,507
16	Police	Program operations	R	600,590	-	39,607	-	640,197	-	-	-	640,197
17	Police	Mobile Intervention Team (MIT)	R	225,601	389,866	16,447	(291,206)	340,708	(340,708)	340,708	(340,708)	-
18	Police	Training modules for Anchorage Police Department	1	-	-	-	-	-	550,000	-	-	550,000
19	Subtotal First Responders			\$ 3,641,360	\$ 289,866	\$ 65,572	\$ (291,206)	\$ 3,705,592	\$ (2,237,888)	\$ 2,787,888	\$ (2,787,888)	\$ 1,467,704
20												
21	<u>Homelessness</u>											
22	Community Developr	Golden Lion	1	250,000	(250,000)	-	-	-	-	-	-	-
23	Health	Pay for Success/Home for Good - housing program	R	1,800,000	-	-	-	1,800,000	-	-	-	1,800,000
24	Health	Program operations	R	679,079	-	24,798	-	703,877	-	-	-	703,877
25	Health	Catholic Social Services Complex Care	R	1,830,000	(500,000)	-	-	1,330,000	-	-	-	1,330,000
26	Health	Christian Health Association	R	550,000	-	-	-	550,000	-	-	-	550,000
27	Health	Brother Francis Shelter	R	670,000	(225,000)	-	-	445,000	-	-	-	445,000
28	Health	Anchorage Coalition to End Homelessness	R	700,000	-	-	-	700,000	-	-	-	700,000
29	Health	Covenant House	R	730,000	(330,000)	-	-	400,000	-	-	-	400,000
30	Health	Covenant House - Emergency Cold Weather Shelter (ECWS)	1	-	-	-	-	-	200,000	-	-	200,000
31	Health	Sullivan Arena operations	1	326,000	(326,000)	-	-	-	-	-	-	-
32	Health	Anchorage Affordable Housing & Land Trust	1	250,000	(250,000)	-	-	-	-	-	-	-
33	Health	Providence Crisis Stabilization Center	1	1,000,000	(1,000,000)	-	-	-	-	-	-	-
34	Health	ECWS Jan-April	1	-	-	-	-	-	2,000,000	-	-	2,000,000
35	Health	ECWS Non Emergency Transportation	1	-	-	-	-	-	200,000	-	-	200,000
36	Library	Community Resource Coordination	R	348,952	-	29,639	-	378,591	-	-	-	378,591
37	Parks & Recreation	Healthy Spaces homeless camp abatement	R	634,290	-	31,201	-	665,491	-	-	-	665,491
38	Assembly	Professional service contracts for housing initiatives	1	-	-	-	-	-	150,000	(150,000)	150,000	150,000
39	Subtotal Homelessness			\$ 9,768,321	\$ (2,881,000)	\$ 85,638	\$ -	\$ 6,972,959	\$ 2,550,000	\$ (150,000)	\$ 150,000	\$ 9,522,959
40												
41	<u>Mental Health and Substance Misuse</u>											
42	Health	Direct grant to Recover Alaska	R	100,000	-	-	-	100,000	(100,000)	-	-	-
43	Health	Direct grant to Volunteers of America	R	100,000	-	-	-	100,000	(100,000)	-	-	-
44	Health	American Foundation for Suicide Prevention information campaign	R	30,000	-	-	-	30,000	(30,000)	-	-	-
45	Health	Behavioral Health for mobile case management	R	-	-	-	-	-	330,000	(100,000)	100,000	330,000
46	Health	Anchorage Safety Center / Community Patrol	1	-	-	-	-	-	2,000,000	-	-	2,000,000
47	Subtotal Mental Health and Substance Misuse			\$ 230,000	\$ -	\$ -	\$ -	\$ 230,000	\$ 2,100,000	\$ (100,000)	\$ 100,000	\$ 2,330,000
48												
49	<u>Administration, Collection, and Audits to the Municipality</u>											
50	Assembly	Alcohol Tax Program education and outreach	R	50,000	-	-	-	50,000	-	-	-	50,000
51	Assembly	Alcohol Tax strategic planning on use in all categories	R	250,013	-	1	-	250,014	-	-	-	250,014
52	Finance	Alcohol tax enforcement, including tax collection software costs	R	277,800	-	12,791	-	290,591	-	-	-	290,591
53	Subtotal Administration, Collection, and Audits to the Municipality			\$ 577,813	\$ -	\$ 12,792	\$ -	\$ 590,605	\$ -	\$ -	\$ -	\$ 590,605
54												
55	Total Alcoholic Beverages Retail Sales Tax Program			\$ 20,938,376	\$ (4,741,134)	\$ 168,837	\$ 241,071	\$ 16,607,150	\$ 4,462,112	\$ 2,537,888	\$ (2,537,888)	\$ 21,069,262
56	Alcoholic Beverages Retail Sales Tax Revenues			16,000,150	-	607,000	-	16,607,150	-	-	-	16,607,150
57	Alcoholic Beverages Retail Sales Tax Use ("Give Back") of Fund Balance			4,938,226	(4,741,134)	(438,163)	241,071	-	4,462,112	2,537,888	(2,537,888)	4,462,112
58	Balance of Alcoholic Beverages Retail Sales Tax Revenues			-	-	-	-	-	-	-	-	-
59												
60												
61	Notes:											
62	Continuation - Changes due to updated: collective bargaining agreements; allocation (intragovernmental charges - IGCs) factors; position and employee costing; and revenue forecast.											