

## **Appendix R - 1**

### **Alcoholic Beverages Retail Sales Tax Program**

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#### **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, 111200, 115500, 134300, 189300, 244400, 244500,  
244600, 353200, 450200, 536000, 536100, 551200)

	2024 Actuals Unaudited	2025 Revised	2026 Approved	26 v 25 % Chg
<b>Direct Cost by Fund Center</b>				
Assembly (101300)	329,837	-	-	-
Finance (134300) Treasury Revenue Management	275,289	293,403	297,530	1.41%
Fire (3532) First Responders	-	1,363,317	-	-100.00%
Health (244400) Mental Health & Substance Misuse	873,329	-	-	-
Health (244500) Homelessness & Mental Health	12,493,315	9,250,507	10,444,584	12.91%
Health (244600) Child Abuse / SADVP	6,210,787	2,842,209	2,261,491	-20.43%
Library (53600) Homelessness & Mental Health	92,799	-	-	-
Library (53610) Child Abuse / SADVP	331,211	237,174	113,685	-52.07%
Mayor (111200)	-	25,000	-	-100.00%
Municipal Atty (115500) Legal First Responders	219,493	302,484	291,117	-3.76%
Parks & Recreation (551200) Homelessness & Mental Health	609,263	757,486	821,557	8.46%
Police (3532) First Responders	1,185,703	716,277	1,276,785	78.25%
<b>Direct Cost Total</b>	<b>22,621,025</b>	<b>15,787,857</b>	<b>15,506,749</b>	<b>-1.78%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	64,479	471,418	377,532	-19.92%
<b>Function Cost Total</b>	<b>22,685,503</b>	<b>16,259,275</b>	<b>15,884,281</b>	<b>-2.31%</b>
Program Generated Revenue	(16,522,039)	(16,259,275)	(16,265,275)	0.04%
<b>Net Cost Total</b>	<b>6,163,465</b>	<b>-</b>	<b>(380,994)</b>	<b>100.00%</b>

<b>Direct Cost by Category</b>				
Salaries and Benefits	2,602,000	4,052,400	2,811,692	-30.62%
Supplies	109,100	148,798	148,798	-
Travel	256,421	-	-	-
Contractual/Other Services	19,648,043	11,586,659	12,546,259	8.28%
Debt Service	-	-	-	-
Equipment, Furnishings	5,461	-	-	-
<b>Direct Cost Total</b>	<b>22,621,025</b>	<b>15,787,857</b>	<b>15,506,749</b>	<b>-1.78%</b>

### Position Summary as Budgeted

Full-Time	23	21	21	-
Part-Time	3	3	3	-
<b>Position Total</b>	<b>26</b>	<b>24</b>	<b>24</b>	<b>-</b>

## Alcoholic Beverages Retail Sales Tax Program Reconciliation from 2025 Revised Budget to 2026 Approved Budget

	Function Costs	Positions		
		FT	PT	Seas/T
<b>2025 Revised Budget</b>	16,259,275	21	-	3
<b>2025 One-Time Requirements</b>				
- Reverse ONE-TIME 2025 Proposed - Non-congregate winter shelter	(4,552,288)	-	-	-
- Reverse ONE-TIME 2025 Proposed S Version - Eklutna Afterschool Program	(100,000)	-	-	-
- Reverse ONE-TIME 2025 Proposed S Version - Best Beginnings	(125,000)	-	-	-
- Reverse ONE-TIME 2025 Proposed S Version - Alcohol Tax Program education and outreach	(25,000)	-	-	-
<b>Transfers by/to Other Departments</b>				
- Intragovernmental Charges (IGCs)	(27,531)	-	-	-
<b>Changes in Existing Programs/Funding for 2026</b>				
- Salaries and benefits adjustments	131,393	-	-	-
- Fleet	45,408	-	-	-
<b>2026 Continuation Level</b>	<b>11,606,257</b>	<b>21</b>	<b>-</b>	<b>3</b>
<b>2026 Proposed Budget Changes</b>				
- Reduce Evidence Based Grants to providers	(500,000)	-	-	-
- Increase Non-congregate shelter	4,581,480	-	-	-
- Reduce Anchorage Coalition to End Homelessness	(280,000)	-	-	-
- Add Congregate shelter - annual operations contract	1,000,000	-	-	-
- Reduce Mobile Crisis Team (MCT) 24/7 Operations	(1,438,456)	-	-	-
- HOPE Multi-Disciplinary Outreach Team - 3rd Ave RNC	500,000	-	-	-
- Christian Health Association	400,000	-	-	-
<b>2026 Assembly Amendments</b>				
- Education and communications	15,000	-	-	-
<b>2026 Approved Budget</b>	<b>15,884,281</b>	<b>21</b>	<b>-</b>	<b>3</b>

## Alcoholic Beverages Retail Sales Tax Program Reconciliation from 2025 Revised to 2026 Approved by Program

Line	Department/ Agency	Category and Description	Function Cost (Direct + IGCs)					
			2025 Revised Budget	Reverse Prior-Year One-Time	Contin- uation	Proposed Changes	2026 Proposed Budget	2026 Approved Budget
1		<b><u>Child Abuse, Sexual Assault, and Domestic Violence</u></b>						
2	Health	Evidence-based grants to providers	2,000,000	-	-	(500,000)	1,500,000	1,500,000
3	Health	Evidence-based grant to Abused Women's Aid in Crisis (AWAIC)	225,000	-	-	-	225,000	225,000
4	Health	Evidence-based grant to Standing Together Against Rape (STAR)	225,000	-	-	-	225,000	225,000
5	Health	Evidence-based grant to Victims for Justice	225,000	-	-	-	225,000	225,000
6	Health	Program operations	69,453	-	4,246	-	73,699	73,699
7	Health	Eklutna Afterschool Program	100,000	(100,000)	-	-	-	-
8	Library	Early Literacy program operations	113,745	-	1,549	-	115,294	115,294
9	Library	Best Beginnings	125,000	(125,000)	-	-	-	-
10		<b>Subtotal Child Abuse, Sexual Assault, and Domestic Violence</b>	<b>\$ 3,083,198</b>	<b>\$ (225,000)</b>	<b>\$ 5,795</b>	<b>\$ (500,000)</b>	<b>\$ 2,363,993</b>	<b>\$ 2,363,993</b>
11								
12		<b><u>First Responders</u></b>						
13	Fire	MCT 24/7 Operations	1,450,400	-	(11,944)	(1,438,456)	-	-
14	Municipal Attorney	Program operations	303,583	-	(11,388)	-	292,195	292,195
15	Police	Program operations	736,639	-	61,567	-	798,206	798,206
16	Police	HOPE Multi-Disciplinary Outreach Team - 3rd Ave RNC	-	-	-	500,000	500,000	500,000
17		<b>Subtotal First Responders</b>	<b>\$2,490,622</b>	<b>\$ -</b>	<b>\$ 38,235</b>	<b>\$ (938,456)</b>	<b>\$ 1,590,401</b>	<b>\$ 1,590,401</b>
18								
19		<b><u>Homelessness</u></b>						
20	Health	Pay for Success/Home for Good - housing program	-	-	-	-	-	-
21	Health	Program operations	675,939	-	45,069	-	721,008	721,008
22	Health	Catholic Social Services Complex Care	1,647,000	-	-	-	1,647,000	1,647,000
23	Health	Christian Health Association	495,000	-	-	400,000	895,000	895,000
24	Health	Brother Francis Shelter	603,000	-	-	-	603,000	603,000
25	Health	Anchorage Coalition to End Homelessness	630,000	-	-	(280,000)	350,000	350,000
26	Health	Covenant House	657,000	-	-	-	657,000	657,000
27	Health	Non-congregate winter shelter	4,552,288	(4,552,288)	-	4,581,480	4,581,480	4,581,480
28	Health	Congregate shelter - annual operations contract	-	-	-	1,000,000	1,000,000	1,000,000
29	Parks & Recreation	Healthy Spaces homeless camp abatement	794,553	-	64,638	-	859,191	859,191
30		<b>Subtotal Homelessness</b>	<b>\$ 10,054,780</b>	<b>\$ (4,552,288)</b>	<b>\$ 109,707</b>	<b>\$ 5,701,480</b>	<b>\$ 11,313,679</b>	<b>\$ 11,313,679</b>
31								
32		<b><u>Mental Health and Substance Misuse</u></b>						
33		None	-	-	-	-	-	-
34		<b>Subtotal Mental Health and Substance Misuse</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
35								
36		<b><u>Administration, Collection, and Audits to the Municipality</u></b>						
37	Finance	Alcohol Tax enforcement, including tax collection software costs	605,675	-	(4,467)	-	601,208	601,208
38	Health	Alcohol Tax education and communications	-	-	-	-	15,000	15,000
39	Mayor	Alcohol Tax education and outreach	25,000	(25,000)	-	-	-	-
40		<b>Subtotal Administration, Collection, and Audits to the Municipality</b>	<b>\$ 630,675</b>	<b>\$ (25,000)</b>	<b>\$ (4,467)</b>	<b>\$ -</b>	<b>\$ 601,208</b>	<b>\$ 616,208</b>
41								
42		<b>Total Alcoholic Beverages Retail Sales Tax Program Function Cost</b>	<b>\$ 16,259,275</b>	<b>\$ (4,802,288)</b>	<b>\$ 149,270</b>	<b>\$ 4,263,024</b>	<b>\$ 15,869,281</b>	<b>\$ 15,884,281</b>
43								
44		<b>Revenues Projected</b>	<b>16,259,275</b>	<b>-</b>	<b>(300,000)</b>	<b>-</b>	<b>15,959,275</b>	<b>15,959,275</b>
46		<b>Total Alcoholic Beverages Retail Sales Tax Program Financing Sources</b>	<b>\$ 16,259,275</b>	<b>\$ -</b>	<b>\$ (300,000)</b>	<b>\$ -</b>	<b>\$ 15,959,275</b>	<b>\$ 15,959,275</b>
47								
48		<b>Financing Sources Balance</b>	<b>\$ -</b>	<b>\$ 4,802,288</b>	<b>\$ (449,270)</b>	<b>\$ (4,263,024)</b>	<b>\$ 89,994</b>	<b>\$ 74,994</b>
49								

**Notes:**

2026 Continuation Changes: adjustments due to updated calculated position and employee labor costs and updated allocation costs (intragovernmental charges - IGCs) based on 2026 Proposed cost pools and current year factors. Revenue forecast to be flat from 2025 Revised.

2026 Proposed Changes: Partial reduction in funds available for evidence-based grants to providers (\$500,000); removal of alcohol tax use for AFD MCT operations (\$1,438,456) - MCT operational funding remains available in AFD's budget; expanded presence of APD's multi-disciplinary HOPE team at the 3rd Avenue Resource & Navigation Center \$500,000; increased funding for overnight shelter services for families & children \$400,000; and congregate shelter surge capacity to accommodate emergency cold weather needs \$1,000,000.

2026 Assembly Amendments: Education and accountability communications about utilization of alcohol and marijuana tax funded programs, so the public has visibility and awareness about how tax revenues are utilized (\$15,000).

## **Appendix R - 2**

### **Marijuana Retail Sales Tax Program**

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#### **Purpose**

All marijuana tax revenue collected by the Municipality of Anchorage is to be dedicated to the Anchorage Child Care & Early Education Fund (ACCEE Fund), and shall be available to use for:

- Childcare or early education provider training, professional development, staffing, or livable wages
- Creating access to childcare and early education programs
- Supporting reading programs
- Funding facilities

#### **Description**

Proposition 14 submitted to the qualified voters of the Municipality of Anchorage at the regular municipal election on April 4, 2023, passed 55.92% to 44.08%. Proposition 14 amends the Anchorage Municipal Charter by adding a new Section to Article VI 6.06, dedicating retail marijuana sales tax net proceeds and creating the Accountability Board of Child Care and Early Education. The assembly is authorized by Section 14.06 to levy five percent (5%) tax on the sales price of marijuana and marijuana products until June 30, 2028, when that amount can be increased to up to ten percent (10%).

Proposition 14 also established a Child Care and Early Education Board to advise the Anchorage Mayor and Assembly on use of the funds. In July 2024, the Assembly codified the Board's terms, composition, operations, and responsibilities in AO 2024-061 (S-1). The Board consists of nine members, all of which are appointed by the mayor and must be confirmed by the Assembly.

At least 120 days before the end of the fiscal year of the municipality, pursuant to Proposition 14, the board shall submit to the mayor and assembly an annual ACCEE Fund budget.

## Fund 208000 Summary Marijuana Tax

(Fund Center # 134400, 189310, 235500, 536200, 551300)

	2024 Actuals Unaudited	2025 Revised	2026 Approved	26 v 25 % Chg
<b>Direct Cost by Fund Center</b>				
Finance (134400) Revenue Management	-	580,000	33,934	-94.15%
Health (235500) Childcare & Early Education Programs	30,315	8,385,000	8,277,199	-1.29%
Library (536200) Childcare & Early Education Programs	-	-	125,000	100.00%
Parks & Recreation (551300) Childcare & Early Education Progr	-	400,000	-	-100.00%
<b>Direct Cost Total</b>	<b>30,315</b>	<b>9,365,000</b>	<b>8,436,133</b>	<b>-9.92%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	-	251,066	244,097	-2.78%
<b>Function Cost Total</b>	<b>30,315</b>	<b>9,616,066</b>	<b>8,680,230</b>	<b>-9.73%</b>
Program Generated Revenue	(6,483,349)	(6,010,000)	(6,321,000)	5.17%
<b>Net Cost Total</b>	<b>(6,453,034)</b>	<b>3,606,066</b>	<b>2,359,230</b>	<b>-34.58%</b>
<b>Direct Cost by Category</b>				
Salaries and Benefits	-	-	321,745	100.00%
Supplies	-	-	-	-
Travel	-	-	-	-
Contractual/Other Services	30,315	9,365,000	8,114,388	-13.35%
Debt Service	-	-	-	-
Equipment, Furnishings	-	-	-	-
<b>Direct Cost Total</b>	<b>30,315</b>	<b>9,365,000</b>	<b>8,436,133</b>	<b>-9.92%</b>
<b>Position Summary as Budgeted</b>				
Full-Time	-	-	2	100.00%
Part-Time	-	-	-	-
<b>Position Total</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>100.00%</b>

## Marijuana Retail Sales Tax Program Reconciliation from 2025 Revised Budget to 2026 Approved Budget

	Function Costs	Positions		
		FT	PT	Seas/T
<b>2025 Revised Budget</b>	9,616,066	-	-	-
<b>2025 One-Time Requirements</b>				
- Reverse ONE-TIME 2025 Proposed S Version - Early Education Grants to Providers	(2,000,000)	-	-	-
- Funding to support pre-K in Title 1 schools				
- Reverse ONE-TIME 2025 1Q - Little Bears Playhouse construction	(200,000)	-	-	-
<b>Transfers by/to Other Departments</b>				
- Intragovernmental Charges (IGCs)	(6,969)	-	-	-
<b>Changes in Existing Programs/Funding for 2026</b>				
- Salaries and benefits adjustments	321,745	-	-	-
- Reduce non-labor to fund new positions - 1 FT Senior Administrative Officer, 1 FT Special Administrative Assistant II	(319,546)	2	-	-
<b>2026 Continuation Level</b>	<b>7,411,296</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>2026 Proposed Budget Changes</b>				
- Early Educator Child Care Subsidies - Pilot - Subsidies to support the cost of childcare for early educators. Pilot program with funding distributed beginning in summer of 2025.	500,000	-	-	-
- Pilot Projects - Flexible financial assistance that drives innovation, increases access to quality, affordable childcare, and brings further investment in the sector. Includes eligibility for capital projects.	(750,000)	-	-	-
- Early Education Grants to Providers - Funding to support pre-K in Title 1 schools.	2,000,000	-	-	-
- Sector Worker Retention Bonuses - Retention focused bonus payments for sector workers based on experience and training completed.	400,000	-	-	-
- Start-Up Funds for In-Home Providers - Small awards available for newly created in-home care providers.	100,000	-	-	-
- Grant to Boys & Girls Club of Southcentral Alaska - restricted specifically to underwrite membership fees, to reduce or eliminate barriers to access clubhouse programs at the Mt. View Community Center Club, Northeast Community Center Club, Woodland Park Club, and Eagle River Club, as determined by the	(400,000)	-	-	-
- Tax Collection - cost of Municipal tax collection.	(546,066)	-	-	-
- Board Administration - Funding set aside for Board administration, including but not limited to the cost of staff, contractors, data collection, studies, research, and/or any required audits.	(35,000)	-	-	-
<b>2026 Assembly Amendments</b>				
- Reduce Pilot Projects	(125,000)	-	-	-
- Best Beginnings	125,000	-	-	-
<b>2026 Approved Budget</b>	<b>8,680,230</b>	<b>2</b>	<b>-</b>	<b>-</b>

## Marijuana Retail Sales Tax Program Reconciliation from 2025 Revised to 2026 Approved by Program

Line	Department/ Agency	Category and Description	Function Cost (Direct + IGCs)					
			2025 Revised Budget	Reverse Prior-Year One-Time	Contin- uation	Proposed Changes	2026 Proposed Budget	2026 Approved Budget
1		<b>Child Care</b>						
2	Health	<u>Early Educator Child Care Subsidies - Pilot</u> - Subsidies to support the cost of childcare for early educators. Pilot program with funding distributed beginning in summer of 2025.	1,250,000	-	-	500,000	1,750,000	1,750,000
3	Health	<u>Flexible Operational Funding</u> - Direct financial assistance to existing childcare providers to support operational costs and stabilize the sector (formerly named "Childcare Sector Stimulus Payments").	2,400,000	-	-	-	2,400,000	2,400,000
4	Health	<u>Pilot Projects</u> - Flexible financial assistance that drives innovation, increases access to quality, affordable childcare, and brings further investment in the sector. Includes eligibility for capital projects.	2,000,000	-	-	(750,000)	1,250,000	1,125,000
5	Health	<u>Early Education Grants to Providers</u> - Funding to support pre-K in Title 1 schools.	2,000,000	(2,000,000)	-	2,000,000	2,000,000	2,000,000
6	Health	<u>Little Bears Playhouse Construction</u> - Funding to support construction of daycare in Girdwood.	200,000	(200,000)	-	-	-	-
7	Health	<u>Sector Worker Retention Bonuses</u> - Retention focused bonus payments for sector workers based on experience and training completed.	-	-	-	400,000	400,000	400,000
8	Health	<u>Start-Up Funds for In-Home Providers</u> - Small awards available for newly created in-home care providers.	-	-	-	100,000	100,000	100,000
9	Library	<u>Best Beginnings</u> - for early childhood education.	-	-	-	-	-	125,000
10	Parks & Recreation	Grant to Boys & Girls Club of Southcentral Alaska - restricted specifically to underwrite membership fees, to reduce or eliminate barriers to access clubhouse programs at the Mt. View Community Center Club, Northeast Community Center Club, Woodland Park Club, and Eagle River Club, as determined by the organization.	400,000	-	-	(400,000)	-	-
11		<b>Subtotal Child Care</b>	<b>\$ 8,250,000</b>	<b>\$ (2,200,000)</b>	<b>\$ -</b>	<b>\$ 1,850,000</b>	<b>\$ 7,900,000</b>	<b>\$ 7,900,000</b>
12								
13		<b>Administration &amp; Collection</b>						
14	Finance	<u>Tax Collection</u> - cost of Municipal tax collection.	831,066	-	(9,032)	(546,066)	275,968	275,968
15	Health	Board Administration - Funding set aside for Board administration, including but not limited to the cost of staff, contractors, data collection, studies, research, and/or any required audits.	535,000	-	4,262	(35,000)	504,262	504,262
16		<b>Subtotal Administration &amp; Collection</b>	<b>\$ 1,366,066</b>	<b>\$ -</b>	<b>\$ (4,770)</b>	<b>\$ (581,066)</b>	<b>\$ 780,230</b>	<b>\$ 780,230</b>
17								
18		<b>Total Marijuana Retail Sales Tax Program Function Cost</b>	<b>\$ 9,616,066</b>	<b>\$ (2,200,000)</b>	<b>\$ (4,770)</b>	<b>\$ 1,268,934</b>	<b>\$ 8,680,230</b>	<b>\$ 8,680,230</b>
19								
20		<b>Revenues Projected</b>	<b>5,900,000</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>6,100,000</b>	<b>6,100,000</b>
21		<b>Fund Balance Use</b>	<b>5,200,000</b>	<b>(5,200,000)</b>	<b>-</b>	<b>2,600,066</b>	<b>2,600,066</b>	<b>2,600,066</b>
22		<b>Total Marijuana Retail Sales Tax Program Financing Sources</b>	<b>\$ 11,100,000</b>	<b>\$ (5,200,000)</b>	<b>\$ 200,000</b>	<b>\$ 2,600,066</b>	<b>\$ 8,700,066</b>	<b>\$ 8,700,066</b>
23								
24		<b>Financing Sources Balance</b>	<b>\$ 1,483,934</b>	<b>\$ (3,000,000)</b>	<b>\$ 204,770</b>	<b>\$ 1,331,132</b>	<b>\$ 19,836</b>	<b>\$ 19,836</b>
25								

**Notes:**

2026 Continuation Changes: adjustments due to updated calculated position and employee labor costs and updated allocation costs (intragovernmental charges - IGCs) based on 2026 Proposed cost pools and current year factors. Revenue forecast to increase \$200,000 from 2025 Revised.

2026 Proposed Changes: \$500,000 increase to Early Educator Child Care Subsidies; (\$750,000) reduction to pilot projects and capital funding; increased \$400,000 funding for Sector Worker Retention Bonuses and \$100,000 for start-up funds for new in-home providers. Remove one-time (\$400,000) grant funding to Boys & Girls Club of Southcentral Alaska.