AN ORDINANCE OF THE ANCHORAGE ASSEMBLY SUBMITTING TO THE QUALIFIED VOTERS OF THE MUNICIPALITY OF ANCHORAGE A BALLOT PROPOSITION AMENDING THE ANCHORAGE MUNICIPAL CHARTER TO AUTHORIZE AN ALCOHOLIC BEVERAGES RETAIL SALES TAX AND DEDICATING THE NET RECEIPTS REVENUE TO PUBLIC SAFETY, [AND] HEALTH, AND HOMELESSNESS PURPOSES, REQUIRING VOTER APPROVAL TO INCREASE THE TAX OR CHANGE THE DEDICATED USES, AND RELATED MATTERS.

*Note: this shows changes from the original AO to this S-1 version in legislative drafting format, it does not show the S-version changes.]

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Pursuant to state law and the Anchorage Municipal Charter, a ballot proposition in substantially the same form as appears in Section 2 below shall be placed on the ballot and submitted to the qualified voters of the Municipality at the regular municipal election on April 7, 2020.

Section 2. The proposition shall be presented in substantially the following form:

PROPOSITION NO. ______

CHARTER AMENDMENT

RETAIL SALES TAX ON ALCOHOLIC BEVERAGES OF 5%
DEDICATING THE REVENUE TO PUBLIC SAFETY AND HEALTH PURPOSES

This proposition would amend the Anchorage Municipal Charter by adding a new section 14.07 to read as follows:

Section 14.07 Alcoholic beverages retail sales tax.

(a) Tax levy and effective date:
The assembly is hereby authorized to levy a five percent (5%) tax on all retail sales of alcoholic beverages. The tax levy shall be effective February 1, 2021.

(b) Dedication of proceeds:
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:

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

(c) 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.

(d) 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.

(e) The net receipts described in subsection (b) 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. The dedicated net receipts shall only be used to provide additional service levels above the 2020 baseline.
And by amending Anchorage Municipal Charter, Article II (4), and Charter §14.01(b) as follows (underlined and bolded words are proposed new words; strikeouts in bold are proposed deletions):

ARTICLE II BILL OF RIGHTS

This Charter guarantees rights to the people of Anchorage that are in addition to rights guaranteed by the Constitution of the United States of America and the Constitution of the State of Alaska. Among rights guaranteed by this Charter are:

*** *** ***

(4) The right of immunity from sales taxes, except upon approval by three-fifths (3/5) of the qualified voters voting on the question, except the taxes imposed by Charter § Section 14.05 and § 14.07 shall be effective if approved by a majority (50 percent + one) of the qualified voters voting on the question.

Section 14.01 Taxing Authority

*** *** ***

(b) Unless otherwise provided in this Charter, no sales tax ordinance is valid until ratified by three-fifths (3/5) of those voting on the question at a regular or special election, except the taxes imposed by Charter § 14.05 and § 14.07 shall be effective if approved by a majority (50%+ one) of the qualified voters voting on the question.

If approved by a majority of the voters voting on the question at the April 7, 2020 Regular Election, the amendments to the Charter above shall be effective upon certification of the election.

Shall the Anchorage Municipal Charter be amended as set forth above, and the 5% retail sales tax on alcoholic beverages be approved?

Yes [ ] No [ ]

Section 3. (This section is new in the S-1 version) If the proposition in Section 2 is approved by the voters, the administration shall account for the revenues and expenditures of the tax proceeds by separate fund or account.
Section 4. Section 1 of this ordinance shall become effective immediately upon passage and approval by two-thirds of the total membership of the Assembly as set forth in Charter § 18.02. The proposition contained in Section 2 of this ordinance shall be incorporated into the Home Rule Charter for the Municipality of Anchorage and effective upon and only if the proposition is certified as approved by a majority of the qualified voters voting on said proposition at the regular municipal election of April 7, 2020. The remainder of this ordinance is effective upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 28th day January, 2020.

Chair

ATTEST:

Municipal Clerk
From: ASSEMBLY CHAIR RIVERA, AND ASSEMBLY MEMBERS QUINN-DAVIDSON AND DUNBAR


The sponsors of the original AO 2019-148 propose several changes in this S-1 version. Most of the changes are for clarity and specificity in the ballot proposition language. Substantive changes include adding the following:

- Detoxification and long-term addiction recovery facilities to the list of dedication purposes.
- Prevention of homelessness to the list of dedication purposes.
- Subsection 14.07(d) to require annual reporting from the Administration regarding the tax revenues and expenditures, itemized for each dedicated purpose.
- Subsection 14.07(e) to explicitly prevent the new tax revenue from being used for currently provided services. The revenues should be used only for increasing the level of service in each of the areas of dedicated purposes. 2020 is used as the baseline year, since the tax should be effective in 2021 and budgeted for increasing service levels, if approved by the voters.
- New Section 3 to require the alcohol tax to be accounted for separately in its own fund. It is important the public understands this new revenue stream for limited, dedicated purposes is not commingled in the general fund.

We request your support for AO 2019-148(S-1) alcoholic beverages retail sales tax.

Respectfully submitted: Felix Rivera, Assembly Chair
District 4 – Midtown

Austin Quinn-Davidson, Assembly Member
District 3 – West Anchorage

Forrest Dunbar, Assembly Member
District 5 – East Anchorage