



MUNICIPALITY OF ANCHORAGE

Assembly Information Memorandum

No. AIM 8-2025

Meeting Date: January 7, 2025

1 **From: ASSEMBLY CHAIR CHRISTOPHER CONSTANT AND VICE**
2 **CHAIR MEG ZALETEL**

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4 **Subject: SUBSTITUTE VERSION CROSSWALK FOR AO 2024-105 AN**
5 **ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE PROPOSING A**
6 **DEDICATED PROPERTY TAX MEASURE TO BE SUBMITTED TO THE**
7 **QUALIFIED VOTERS OF THE MUNICIPALITY THAT WOULD ENACT A SALES**
8 **AND USE TAX...**

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10 For the Assembly's consideration; please see Attachment A, a crosswalk to
11 compare at-a-glance the introduced substitute (S) versions of AO 2024-105 as of
12 January 7, 2025.

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20 Prepared by: Assembly Counsel and Legislative Services
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23 Respectfully submitted: Christopher Constant, Assembly Chair
24 District 1, North Anchorage

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26 Meg Zaletel, Assembly Vice Chair
27 District 4, Midtown Anchorage
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PROJECT ANCHORAGE VERSION CROSSWALK

Version	Tax Rate	Tax Cap	Duration	Dedications	Sponsor's Intent	Exemptions
105(S) Sulte, Rivera	3%	2% property tax reduction under the tax cap; 1% tax for MAPs outside the tax cap	7 Calendar Years	2% reduction of property taxes under the tax cap, applied the following year. 1% voter approved capital projects.	Property Tax Relief and quality of life investments; Adds 11 MAPs; Additional exemptions; Excludes alcohol, marijuana, and tobacco purchases from the exemption for low-income; Adopts the Alaska Uniform Remote Sellers Sales Tax Code by reference.	Exemptions include rental housing, childcare costs, childcare products, medical services, non-prepared foods, financial transactions, automobile fuel, menstrual products, prescription medications. With added exemptions for: nonprofit entities and regional housing authorities; educator expenses; and contraceptives. Amended to make alcohol, marijuana and tobacco taxable for all households
105(S-1) Constant	Advisory proposition placed on the ballot and submitted to qualified voters of Anchorage	N/A	N/A	N/A	Changes the ballot proposition from a charter amendment to an advisory vote on the idea of the tax.	N/A
105(S-2A) Zaletel, Volland	3%	0.75% for reduction of property taxes under the tax cap ; 0.75% for MAPs outside the tax cap ; 0.75% to fund municipal vehicle fleet, expand and develop affordable housing & public transit above the tax cap ; 0.75% to the general fund for any public purpose above the tax cap ;	Permanent	0.75% sales and use tax dedicated to the reduction of property taxes; 0.75% dedicated to fund community infrastructure projects (MAPs), limited to 7 projects voted on every 7 years; 0.75% dedicated to fund the municipal vehicle fleet and to expand and develop affordable housing and public transportation; 0.75% dedicated to first priorities of benefit programs, improvements and repairs to publicly accessible municipal facilities, and identified community needs, and then available for any public purpose in the general fund.	Restructures the distribution of revenue from the 3% tax into 4 quarters, dedicated in equal parts to the purposes described to the left with approximately \$38.5 Million in sales tax revenue for each. Increases the business inventory personal property tax exemption from \$20,000 to \$250,000, contingent on voter approval of the proposition. Calls for a special election to consider the proposition.	Exemptions in Charter: Households earning 80% or less of the federal HUD area median household income (AMI); Alcohol, marijuana, and tobacco as to prevent from being "double-taxed"; Allows additional exemptions by ordinance
105(S-3) Martinez	1.5%	1% for municipal projects outside the tax cap ; 0.5% for administration of the tax and other public purposes outside the tax cap .	7 Calendar Years	1% for Municipal Area Projects (MAPs), which includes (1) street, ROW, and non-motorized infrastructure; (2) lighting and safety improvements; (3) snow removal or storage; or (4) capital projects approved by voters for this funding; and 0.5% for administration of the tax and other public purposes	Lower sales tax burden, prioritizes fiscal accountability, and focuses on practical, immediate investments in foundational infrastructure to ensure a livable and functional city.	Exemptions include food, medical services and transactions by low-income households. Only the first \$1,000 of a purchase transaction is taxable.
105(S-4) Brawley	3%	0.5% for reduction of property taxes under the tax cap ; 2.5% to fund community needs authorized by the voters outside the tax cap .	Permanent	0.5% tax dedicated to the reduction of property taxes; 2.5% tax dedicated to fund community needs authorized by the voters.	Takes a different approach to AO 2024-105(S) to invest in Anchorage including public amenities; building in maintenance and operation costs into the projects; dedicating funding to community needs for capital improvements, increased services and affordable housing, while also including property tax relief. Increases the business inventory personal property tax exemption from \$20,000 to \$100,000, contingent on voter approval of the proposition.	Exemptions are not directly addressed in the ballot language, but allows for exemptions by code

<p>About the Tax Cap</p> <p>The tax cap is an annual calculation that establishes the maximum total amount the Municipality can collect in taxes for the year. Established in Charter § 14.03 <i>Tax increase limitation</i>, the tax cap is based on the previous year's municipal taxes collected, with an adjustment for the five-year average change in population and inflation. The calculation is completed before the Municipality establishes the mill rates for property taxes.</p>	<p>Under the Tax Cap Funds under the tax cap would replace property taxes and would not increase the tax cap calculation.</p>
	<p>Outside the Tax Cap Funds outside the tax cap would never be used in the tax cap calculation.</p>
	<p>Above the Tax Cap Funds above the tax cap would not be included in the tax cap calculation the first year of collection. The following year, the tax cap would be calculated including those funds, increasing the tax cap for following years.</p>