

# VOTER INFORMATION

OCTOBER 4, 2016 MUNICIPAL ELECTION



**Proposition 1:** Tax on Sale of Marijuana and Marijuana Products

**Proposition 2:** Extend Temporary 3% Sales Tax

**Proposition 3:** Make the Temporary 3% Sales Tax Permanent Beginning on July 1, 2022



# Election Overview

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The October 4, 2016, Municipal Election offers voters the opportunity to select candidates for the City and Borough of Juneau Assembly and for the Juneau School District School Board. A sample ballot is enclosed in this pamphlet and information about the candidates can be found by visiting the City's website: [www.juneau.org/clerk/elections](http://www.juneau.org/clerk/elections)

In addition, there are three propositions regarding sales tax. There is an explanation page for each of the sales tax propositions included in the pamphlet. It is important to note that while each proposition addresses a 3% tax, each proposition stands alone and requires a separate vote.

**Proposition 1** would provide for marijuana and marijuana products to be taxed in the same manner as alcohol, adding an additional 3% tax on top of the regular 5% sales tax on retail goods.

**Proposition 2** asks voters to extend the temporary 3% sales tax for an additional 5 years (until June 30, 2022). This sales tax is critical to city operations and has been approved by the voters for the past 30 years.

**Proposition 3** asks voters to make the 3% sales tax addressed in Proposition 2 permanent beginning on July 1, 2022.

A vote on each of the propositions is requested.

### Sales Tax Primer

The CBJ sales tax on general retail sales and services currently totals 5%. This 5% tax is made up of three separate taxes:

- 1% permanent sales tax
- 3% temporary sales tax (expiring July 1, 2017)
- 1% temporary sales tax for special projects (expiring July 1, 2018)

The 1% permanent sales tax and 3% temporary sales tax amounts combine to fund basic municipal services such as police, fire, streets maintenance, capital improvements to roads and sidewalks, libraries, parks and recreation, youth activities, and general operations.

The 1% temporary sales tax for special projects has been used for special projects including to construct capital improvements (valley library, building maintenance, sewer expansion, well field expansion), to enhance budget reserves and pay down debt associated with general obligation bonds for school construction and to fund other major projects.

# Proposition 1

## Tax on Sale of Marijuana and Marijuana Products

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# Proposition 1

## Tax on Sale of Marijuana and Marijuana Products

### How will marijuana and marijuana products be taxed?

Marijuana and marijuana products are subject to the general retail sales tax of 5%. Proposition 1 would impose an additional 3% sales tax, bringing the total sales tax on marijuana and marijuana products to 8%. This is the same tax rate in effect for alcohol and alcohol products.

### How much money will the sales tax on marijuana and marijuana products generate?

The sale of marijuana and marijuana products is a new business for our community so there is no historical data to rely on. CBJ staff have forecast that overall revenues from marijuana and marijuana products will generate between \$105,000 and \$285,000 annually based on a 5% sales tax rate. The additional 3% sales tax in Proposition 1 would generate approximately \$65,000 - \$170,000 annually, bringing the total anticipated sales tax revenue to a potential total of \$170,000 - \$455,000 annually.

### What will tax revenues from marijuana and marijuana products be used for?

Tax revenues collected from the additional 3% sales tax on the sale of marijuana or marijuana products will be put into the general fund to help pay for overall city services. The general fund pays for education, city operations, capital construction projects, and also provides funding for youth activities and social service grants.

### Why should there be an increased tax on marijuana and marijuana products?

The citizen's initiative that resulted in the legalization of marijuana and marijuana products in Alaska provided for treating marijuana in the same manner as alcohol. Proposition 1 would tax marijuana and marijuana products similar to alcohol and alcohol products. Alcohol is taxed at 3% above the general sales tax rate.

### What would happen if voters fail to approve Proposition 1?

If voters do not approve Proposition 1, marijuana and marijuana products will be taxed at the general sales tax rate which is currently set at 5%.

# Proposition 2

Extend Temporary 3% Sales Tax

## How long has a temporary 3% sales tax been in effect?

This 3% sales tax has been supported by Juneau voters each time it has come up for renewal, once every four or five years, since first approved in 1983.

## What services will citizens receive from the revenue generated by Proposition 2?

If approved, revenue from Proposition 2 will be used for the same purposes as the current 3% temporary sales tax. As with the current tax, it is the intent of the Assembly to divide the total 3% tax among the following three categories:

**1% for general government operations.** This 1%, combined with the 1% permanent sales tax, is to be used to support such general government operations as police, fire, street maintenance, EMT/ambulance services, parks and recreation, libraries, transit, and other general services.

**1% for capital improvements to roads & sidewalks.** This 1% is to be used primarily for repairing and constructing roads, sidewalks, retaining walls, drainages, and stairways, as well as other capital projects.

**1% for capital improvements, budget reserve, youth activities, and other public services.** This 1% is to be used for a variety of capital improvements, general government services (including the Better Capital City account and youth activities grants) and Budget Reserve.

## How much money does the 3% sales tax generate? When will it expire if approved?

For fiscal year 2016, each 1% sales tax contributed about \$8.5 million to the CBJ budget. If Proposition 1 is approved, the 3% sales tax will be in effect for five more years (until June 30, 2022), and would be expected to generate approximately \$25.5 million annually for each of those years.





# Proposition 2 - Continued

## Extend Temporary 3% Sales Tax

### Why have a sales tax?

Government services are funded through a variety of taxes and user fees. In Juneau, sales and property tax revenues pay for the majority (about 27% and 43%, respectively) of general city government services. In addition, sales tax revenues account for nearly all of the funds spent on general government capital projects such as street/sidewalk paving/repairing and CBJ owned facilities.

A sales tax helps spread the cost of municipal services to all users, rather than targeting property owners only. With a sales tax, visitors and temporary residents help pay for services they use while they are in Juneau. State and federal funding for local government services has declined significantly since the original 1983 voter approval of the 3% sales tax. In response to these state and federal revenue declines, the sales tax revenues generated from the 3% levy have contributed greatly in helping to fund consistent service levels and hold down the property tax mill levy.

### What would happen if voters fail to approve Proposition 2?

The sales tax rate would be reduced to 2% starting July 1, 2017. Sales tax revenues would be expected to decrease by approximately \$25.5 million annually. Available funding for general city services and capital projects would be reduced by about \$16 million and \$8 million, respectively. To balance the budget, the Assembly would either decrease spending (by cutting public services and capital projects), increase revenues (by increasing property taxes and user fees), or both. Cuts to general services would be substantial.



# Proposition 3

**Make the Temporary 3% Sales Tax Permanent Beginning on July 1, 2022**

## How long has a 3% sales tax been in effect?

Juneau voters have supported a 3% temporary sales tax each time it has come up for renewal, once every four or five years, since first approved in 1983. The revenues generated from this 3% tax support core city services the community relies on. Making the 3% temporary sales tax permanent more accurately reflects the cost of providing basic city services and allows for more stability in fiscal planning.

## What services will citizens receive from the revenue generated by Proposition 3?

If approved, revenue from Proposition 3 will be used for the same purposes as the current 3% temporary sales tax. As with the current tax, it is the intent of the Assembly to divide the total 3% tax among the following three categories:

**1% for general government operations.** This 1%, combined with the 1% permanent sales tax, is to be used to support such general government operations as police, fire, street maintenance, EMT/ambulance services, parks and recreation, libraries, transit, and other general services.

**1% for capital improvements to roads & sidewalks.** This 1% is to be used primarily for repairing and constructing roads, sidewalks, retaining walls, drainages, and stairways, as well as other capital projects.

**1% for capital improvements, budget reserve, youth activities, and other public services.** This 1% is to be used for a variety of capital improvements, general government services (including the Better Capital City account and youth activities grants) and Budget Reserve.

## How much money does the 3% sales tax generate? When will it expire if approved?

For fiscal year 2016, each 1% sales tax contributed about \$8.5 million to the CBJ budget. If Proposition 3 is approved, the 3% sales tax will become permanent on July 1, 2022, when the temporary sales tax in Proposition 2 expires. A permanent 3% sales tax would be expected to generate approximately \$25.5 million annually in perpetuity.

# Proposition 3 - Continued

**Make the Temporary 3% Sales Tax Permanent Beginning on July 1, 2022**

## Why have a sales tax?

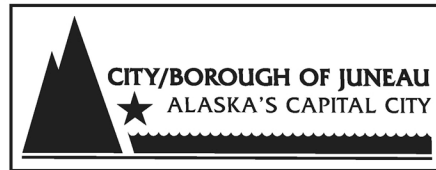
Government services are funded through a variety of taxes and user fees. In Juneau, sales and property tax revenues pay for the majority (about 27% and 43%, respectively) of general city government services. In addition, sales tax revenues account for nearly all of the funds spent on general government capital projects such as street/sidewalk paving/repairing and CBJ owned facilities.

A sales tax helps spread the cost of municipal services to all users, rather than targeting property owners only. With a sales tax, visitors and temporary residents help pay for services they use while they are in Juneau. State and federal funding for local government services has declined significantly since the original 1983 voter approval of the 3% sales tax. In response to these state and federal revenue declines, the sales tax revenues generated from the 3% levy have contributed greatly in helping to fund consistent service levels and hold down the property tax mill levy.

## What would happen if voters fail to approve Proposition 3?

Provided Proposition 2 passes, the temporary 3% sales tax will be in place until June 30, 2022. In the October 2021 municipal election, voters would likely be asked to extend the current temporary sales tax another 5 years.





**For candidate profiles, go to [www.juneau.org/clerk/elections/](http://www.juneau.org/clerk/elections/)**



# SAMPLE BALLOT FRONT

**INSTRUCTIONS TO VOTER:** To vote for the issue/candidate of your choice, **fill in the oval next to the issue/candidate you want to vote for.** Place your ballot inside the secrecy sleeve and then take your ballot to the ballot box.

If you make a mistake while voting, return the ballot to the election official for a new one.  
**A vote which has been erased or changed will not be counted.**



## OFFICIAL BALLOT

### THE CITY AND BOROUGH OF JUNEAU REGULAR MUNICIPAL ELECTION, OCTOBER 4, 2016

Completely fill in the oval to the right of the selection you choose: 

#### DISTRICT 1 ASSEMBLY VOTE FOR NOT MORE THAN ONE

William Quayle Jr. ☐

Arnold Liebelt ☐

Mary Becker ☐

Write-in ☐

#### ASSEMBLYMEMBER AREAWIDE VOTE FOR NOT MORE THAN ONE

Kate Troll ☐

Norton Gregory ☐

Write-in ☐

#### DISTRICT 2 ASSEMBLY VOTE FOR NOT MORE THAN ONE

Beth Weldon ☐

Write-in ☐

#### SCHOOL BOARD VOTE FOR NOT MORE THAN TWO

Steve Whitney ☐

Kevin Allen ☐

Jason Hart ☐

Dan DeBartolo ☐

Write-in ☐

Write-in ☐

#### Explanation for Proposition No. 1

Juneau currently levies an additional tax of 3% to the current sales tax rate on all retail sales of alcoholic beverages; this means these beverages are currently taxed at the rate of 8%. This ballot proposition would extend an additional tax of 3% to the current sales tax rate on all retail sales of marijuana and marijuana products, for a total current sales tax rate of 8%, similar to that for alcoholic beverages.

#### PROPOSITION NO. 1

##### Authorization to Levy an additional 3% Tax on the Sale of Marijuana and Marijuana Products

Shall the City and Borough of Juneau, Alaska levy and collect an additional tax equal to three percent of the selling price on retail sales of marijuana and marijuana products?

Levy and collect an additional 3% Marijuana Tax, YES ☐

Levy and collect an additional 3% Marijuana Tax, NO ☐

**TURN BALLOT OVER TO CONTINUE VOTING**

# SAMPLE BALLOT BACK

**INSTRUCTIONS TO VOTER:** To vote for the issue/candidate of your choice, **fill in the oval next to the issue/candidate you want to vote for.** Place your ballot inside the secrecy sleeve and then take your ballot to the ballot box.

If you make a mistake while voting, return the ballot to the election official for a new one.  
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## OFFICIAL BALLOT

### THE CITY AND BOROUGH OF JUNEAU REGULAR MUNICIPAL ELECTION, OCTOBER 4, 2016

Completely fill in the oval to the right of the selection you choose: ☐

#### General Explanation of CBJ Sales Tax for Proposition No. 2 and Proposition No. 3

Juneau currently has a permanent 1% sales tax, a temporary 1% sales tax, and a temporary 3% sales tax. The temporary 1% sales tax is automatically repealed on September 30, 2018. The temporary 3% sales tax is automatically repealed on July 1, 2017. The total of all CBJ sales taxes is currently 5%.

Proposition No. 2 extends the current temporary 3% sales tax to June 30, 2022. Proposition No. 3 would make the temporary 3% sales tax permanent effective July 1, 2022.

Both ballot propositions would continue the Assembly's intended allocation of the 3% sales tax revenues as follows:

- 1% police, fire, street maintenance, snow removal, EMT/ambulance service, parks and recreation, libraries, and other general purposes;
- 1% roads, drainage, retaining walls, sidewalks, stairs, and other capital improvement projects; and
- 1% allocated annually by the assembly for capital improvements, general government services (including the Better Capital City account and youth activities) and Budget Reserve.

#### PROPOSITION NO. 2 Authorization to Renew a Temporary 3% Areawide Sales Tax Effective July 1, 2017 through June 30, 2022

Shall the City and Borough of Juneau, Alaska, levy and collect a temporary 3% areawide sales tax on the sale price of retail sales, services, and commercial rentals within the City and Borough, effective July 1, 2017, for a period of five years only (expiring June 30, 2022), in addition to the 1% permanent areawide sales tax and the 1% temporary areawide sales tax currently in effect?

Extend 3% sales tax five years, YES ☐

Extend 3% sales tax five years, NO ☐

#### Additional Explanation for Proposition No. 3

This ballot proposition would make the 3% sales tax permanent beginning July 1, 2022. Accordingly, if this proposition is approved, the total permanent sales tax rate would become 4%. In addition, voters have historically approved an additional 1% temporary sales tax. If voters continue to approve the 1% temporary sales tax, the total sales tax rate would be 5%. This proposition would also continue the Assembly's intended allocation of the 3% sales tax revenues as outlined above.

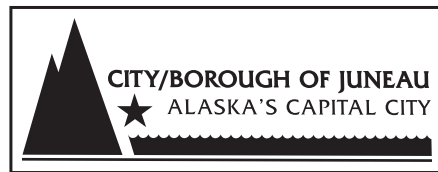
#### PROPOSITION NO. 3 Authorization to Levy a Permanent 3% Areawide Sales Tax Effective July 1, 2022

Shall the City and Borough of Juneau, Alaska, levy and collect a permanent 3% areawide sales tax on the sale price of retail sales, services, and commercial rentals within the City and Borough, effective July 1, 2022, in addition to the 1% permanent areawide sales tax and the current 1% temporary areawide sales tax?

Levy and collect a permanent 3% sales tax, YES ☐

Levy and collect a permanent 3% sales tax, NO ☐

**TURN BALLOT OVER TO CONTINUE VOTING**





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**Juneau, Alaska**

Precinct Number	Precinct Name	Precinct Location	Precinct Address
34 – 400	Auke Bay	UAS Recreation Center - "Charles Gamble Jr. - Donald Sperl Joint Use Facility"	12300 Mendenhall Loop Rd., Juneau
34 – 410	Juneau Airport Area	Nugget Mall	8745 Glacier Highway, Juneau
34 – 420	Lynn Canal	Auke Bay Ferry Terminal	13.8 Mile Glacier Highway, Juneau
34 – 430	Mendenhall Valley No. 1	<b>Mendenhall Valley Public Library</b>	<b>3025 Dimond Park Loop</b> Juneau
34 – 440	Mendenhall Valley No. 2	Aldersgate United Methodist Church	9161 Cinema Drive, Juneau
34 – 450	Mendenhall Valley No. 3	Glacier Valley Baptist Church	3921 Mendenhall Loop Rd., Juneau
34 – 460	Mendenhall Valley No. 4	Shepherd of the Valley Lutheran Church	4212 Mendenhall Loop Rd., Juneau
33- 500	Douglas	Douglas Library	1016 Third Street, Douglas
33– 510	Juneau No. 1	Juneau Arts and Culture Center <b>Alaska State Library, Archives &amp; Museum Bldg</b>	<b>395 Whittier Ave.,</b> Juneau
33 – 515	Juneau No. 2	Northern Light United Church	400 W. 11 <sup>th</sup> Street, Juneau
33 – 520	Juneau No. 3	Bartlett Regional Hospital	3260 Hospital Drive, Juneau
33 - 525	Lemon Creek	Alaska Electric Light & Power (AEL&P)	5601 Tonsgard Ct., Juneau
33– 530	North Douglas	Juneau Fire Station	820 Glacier Ave., Juneau

**\*\* New Location**

**The polls are open 7:00 a.m. through 8:00 p.m.**

Please note that due to the State of Alaska redistricting, some precincts were combined and others have been relocated. If you are unsure where your polling place is, you can call the **STATE OF ALASKA POLLING PLACE LOCATOR number 1-888-383-8683**, enter your Social Security Number or your voter number when prompted, and you will be told where your polling place is located.

If you have questions regarding the October 4, 2016 CBJ Regular Municipal Election, please contact the Municipal Clerk's Office at 586-5278.