

RECOVER
ALASKA

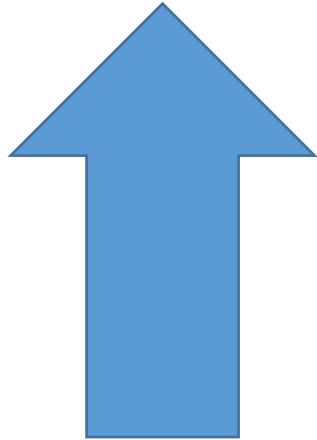
**As required by the Alcohol Policy 19 Conference,
I/we have signed a disclosure statement and note the
following conflict(s) of interest:**

In 2019 Recover Alaska accepted \$2500 from a regional chain retail outlet for our educational alcohol sales tax campaign.

In 2020 we created a policy prohibiting acceptance of funds from the alcohol industry.

Why a tax? ... because taxes work!

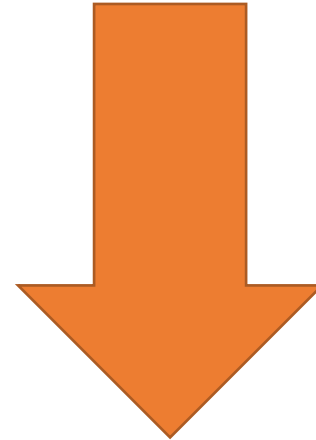
Alcohol
Price



Alcohol
Taxes



Harmful or Excessive
Alcohol Consumption
(underage + heavy drinking)



Costs &
Consequences

What exactly are “alcohol taxes”?

These are two primary ways governments tax alcohol.

Excise Tax

- Levied on **volume** (gallons)
- Paid at **wholesale** (distribution)
- Paid by manufacturers and distributors, not retailers
- Typically a per-gallon tax.
- Higher tax rate for higher-potency (% ABV) products.
- **Vulnerable to inflation:** revenue collected decreases over time.

Sales Tax

- Levied on **value** (retail price)
- Paid at **retail** (point of sale)
- Paid directly by customers
- Typically a percentage of sale price
- Usually same tax rate (%) for all products, onsite or offsite sales.
- **Not vulnerable to inflation:** tax is levied on current value.

Typical Mix of Taxes on Alcohol

Taxing Body	Tax Type	Notes
Federal	Excise	<ul style="list-style-type: none">• Last raised in 1991• Significant tax break 2018, made perm. 2020 (TCJA, 2017)
State	Excise	<ul style="list-style-type: none">• Rarely raised or changed• Alaska's increased in 2002
State	General Sales (many states)	<ul style="list-style-type: none">• Alcohol sales taxed like any other retail sales
State	Alcohol Sales (some states)	<ul style="list-style-type: none">• Some states have higher % rate or special sales tax
Local (City, County)	Sales	<ul style="list-style-type: none">• Usually on general sales• Sometimes special tax

After-action analysis

1994: Went to Ballot

Lost 49% to 51%
Yes: 33,887
No: 35,222

> "The major obstacle proved to be the alcohol industry's success in convincing voters that the additional revenue, which would have flowed into the city's general fund, would help create a bigger government bureaucracy."

— State Alcohol Taxes and Health, Center for Science in the Public Interest, 1996

1995: Went to Ballot

Lost 48% to 51%
Yes: 24,419
No: 25,808

> "Tax proponents altered their legislative approach the following year, exploiting the same local, anti-tax, anti-government sensitivities that had defeated them in the previous election. They proposed the new measure as a way to offset property taxes. The strategy appealed to property owners' pocketbooks in a concrete way, and this time, the initiative nearly passed, failing by less than one percentage point."

— State Alcohol Taxes and Health, Center for Science in the Public Interest, 1996

There were nearly 20,000 fewer total votes in '95 compared to '94 yet the absolute difference between yes and no votes stayed roughly the same (1,389 in '95 compared to 1,335 in '94).

2002: State tax hike on beverages.

> The "Dime a Drink" campaign. First notable increase on alcohol taxes (excise taxes) in 18 years; controversy over the level of taxation and use of funds—slashes to health and social services immediately following tax implementation. Set a tone of opposition and distrust within the alcohol industry for gov't promises.

2004: Citizen initiative

> Failed.

2007: Citizen initiative

> Failed.

2015: Proposed by Traini Failed Assembly, 6 - 5 vote

> "Hall...made a last-minute effort to spell out more details for how the money would be spent, pulling information from the recommendations of Anchorage Mayor Dan Sullivan's leadership team on homelessness. For example, Hall's memo said, the plan would call for the addition of 80 housing-first units and 12 short-stay detox beds, and included cost estimates for such measures. Such details had not been made publicly available until the meeting."

2017: Proposed by Traini Failed Assembly, 7 - 3 vote

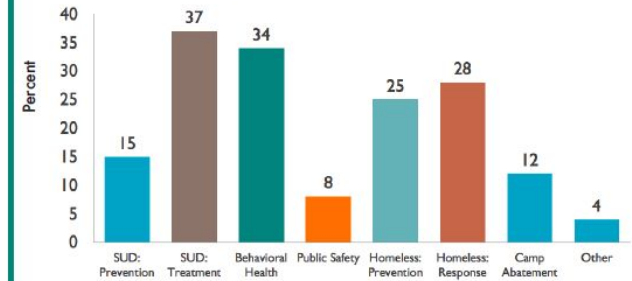
— "Anchorage Assembly votes down alcohol tax ballot measure", ADN, Nov. 28, 2016

> The alcohol industry mounted an opposition campaign almost immediately.

TIMELINE

Alaska's Alcohol Tax Landscape 1994 - 2017

Q. If the alcohol tax is approved by voters, what activities would you most support funding with this revenue?



Strategic Action Plan to Solve Homelessness: 2018 - 2021 Community Forum
Wednesday, January 9, 2019

CAMPAIGN ACTIVITY BREAKDOWN OPPOSITION CAMPAIGN

The opposition campaign ran an overall strong campaign, with unique and eye-catching graphics, heavy message iteration, and one notably clever tactic. (No monetary breakdown of expenditures available based on APOC reports, only "social media, radio, television, direct mail, ongoing canvassing.")



THE POWER IS IN YOUR HANDS!
Vote NO on Proposition No. 9

NO A new alcohol tax makes no sense.
The Assembly says they'll "fix" homelessness with your tax dollars.
THAT'S CRAZY! Seattle, Portland, San Francisco said the same thing. Homelessness and drug use - got worse.
NO Use your power. Say NO to new taxes



We - the voters created a City Charter that requires a 3/5's vote to impose new taxes.
Proposition No. 9 ignores our City Charter.
If you vote yes, you will be voting to bypass the City Charter.

This is a terrible precedent that opens the door to other new taxes.

Government already makes a larger profit on alcohol than all the producers and distributors **COMBINED**. Where is the benefit for what we already pay? This is just a money grab by politicians. Seattle residents have stood up and said enough-is-enough. They have created a community-wide group to seriously deal with homelessness.

Check out
www.UnifiedSeattle.com or on Facebook at Unified Seattle.
Anchorage needs to learn from Seattle's mistakes and do the same thing.

Vote No on Proposition No. 9

and mail in your ballot today

www.UnifiedSeattle.info created by Alex Kagan, published under license from 100% of the donors, Anchorage, AK 99501. For these contributions: Alaska Beer, Wine, and Spirits Association, Wine Institute and Alaska Hospitality Institute, Macmillan, Seward Clark, Chris, approved this message.

ELEMENTS

- Raised \$340,033.36
- **Hackney & Hackney** consulting group (led several Republican campaigns, including for Rep. Don Young)
- Newspaper:
 - ADN ad buys
- Social Media: Facebook, Instagram, Google ads
- Radio:
 - 48 spots on FM 93.7 from March 22-29 (6 per day)
 - 126 total spots on FM 92.1 from March 7-24
 - 66 spots on FM 102.1 from March 7-17
- Television:
 - 12 spots on KTVA from March 25 to April 1
 - 35 spots on KTUU from March 22 to April 2
- Direct mail
- Canvassing (extent of effort unknown)
- Earned media: five op-eds and letters to the editor against
- Field: Table-fold ups in anti-Prop 9 bars

We lost because of \$340k of this



The Mayor's **alcohol tax - more \$\$ for gov't.**
Seattle did the same thing – a billion dollars a year in tax money.

Homelessness got WORSE – Drug use got WORSE.

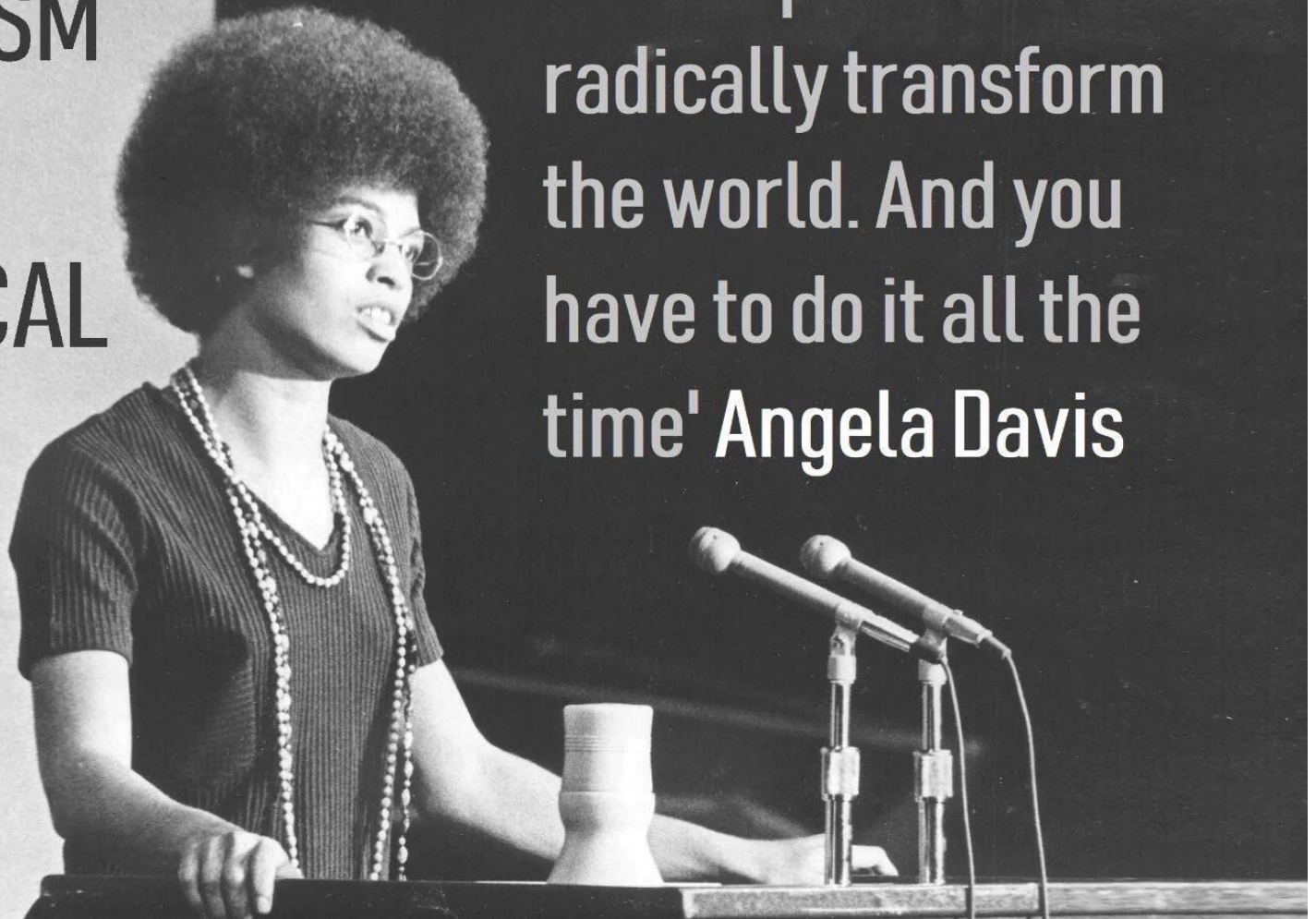


**VOTE NO on
Proposition No. 9**

Paid for by Alaskans Against Unfair Alcohol Taxes, 1503 W 31st Avenue, Anchorage, AK 99503. Top three contributors: Alaska Beer, Wine, and Spirits Association, Wine Institute and Alaska Hospitality Retailer Association. Sarah Oates, Chair, approved this message.

OPTIMISM
IS A
POLITICAL
ACT

'You have to act as if
it were possible to
radically transform
the world. And you
have to do it all the
time' Angela Davis



Polling

TABLE C1 1: ALCOHOL TAX INCREASE

Strongly favor	52%
Somewhat favor	20%
Neutral	5%
Somewhat oppose	6%
Strongly oppose	19%

TABLE 042

14. How likely would you be to support an alcohol tax increase of ten cents per drink if the money went to treatment and prevention programs? Would you say...?

Base: Total respondents

Extremely/Very/Somewhat	1141
Likely (NET)	100
=====	78

5A. There will be a question on the April Municipal election ballot that will propose a charter amendment enacting an alcohol tax in Anchorage of 5% of retail, which would add 50c to the cost of a \$10 alcohol purchase. If the election was held today, how do you think you would vote, yes or no?

VOTE ON ALCOHOL TAX #1:		
	Count	%
Yes	238	59.8%
No	152	38.0%
Undecided	9	2.2%

A close-up photograph of several people's hands holding various smartphones. The phones are of different colors (white, black, teal) and are held in a way that suggests they are being used together. The background is a blurred outdoor setting with warm, golden light. The text "We called our friends" is overlaid in the center in a white, sans-serif font.

We called our friends



RECOVER
ALASKA

We found our Assembly champions



We dedicated the revenue

Anticipated revenue \$11M - \$15M annually

1. Public Safety
2. Prevention of Child Abuse, Domestic Violence, and Sexual Assault
3. Treatment & Prevention of Mental Health/Substance Misuse and Homelessness Services

We wrote in regulatory boundaries



Cannot be changed without
a vote of the public

Annual mandatory reporting

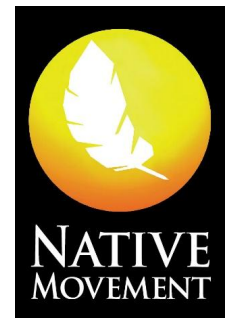
Cannot supplement current
funding

Public process determines
utilization

Supporters



ALASKA BEHAVIORAL
HEALTH ASSOCIATION





**It's up to
*you!***


Yes 
ON PROP 13

**FOR A SAFER,
HEALTHIER
ANCHORAGE**

Paid for by Yes for A Safer, Healthier Anchorage
PO Box 90676 Anchorage, AK 99509
Chair George S. Rhyneer, Sr. Top three
contributors Alaska Children's Trust,
Anchorage, AK; Recover Alaska, Anchorage,
AK; and Providence Health & Services Alaska,
Anchorage, AK.

2020 Election results

Anchorage Proposition 13

Result	Votes	Percentage
 Yes	35,562	51.24%
No	33,835	48.76%



Focusing on...

Dismantling systemic racism	Healthy babies, kids, and families	Healthy relationships	Affordable housing	Education and career prep	Good jobs	Behavioral health issues	Thriving neighborhoods
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will help us address...

Poverty	Partner and family violence	Homelessness	Unemployment	Mental health crises	Substance misuse	Perceptions of safety
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and will meaningfully reduce the issues voters prioritized in the ballot measure

Frequent involvement with police, corrections	Domestic violence, sexual assault	Child maltreatment	Unsheltered homelessness	Deaths of despair
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Key takeaways

1. Polling won us the election.
2. Share control and share the burden.
3. All hands on deck priority.



CONNECT WITH RECOVER



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WWW.RECOVERALASKA.ORG