

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Bill No. 2015-__

Municipal GRT Dedication

SPONSOR(S): Councilor Maestas

SUMMARY: The proposed bill amends Section 18-10.4 SFCC 1987 to rededicate a portion of the municipal gross receipts tax to recreational facilities, and bike and pedestrian pathways.

PREPARED BY: Jesse Guillen, Legislative Liaison

FISCAL IMPACT: No

DATE: September 21, 2015

ATTACHMENTS: Bill
FIR

CITY OF SANTA FE, NEW MEXICO

BILL NO. 2015-__

INTRODUCED BY:

Councilor Joseph M. Maestas

AN ORDINANCE

**AMENDING SUBSECTION 18-10 SFCC 1987 TO REDEDICATE A PORTION OF THE
MUNICIPAL GROSS RECEIPTS TAX TO RECREATIONAL FACILITIES, AND BIKE
AND PEDESTRIAN PATHWAYS.**

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

**Section 1. Section 18-10 SFCC 1987 (being Ord. #1987-19, as amended) is
amended to read:**

18-10 MUNICIPAL GROSS RECEIPTS TAX.

18-10.1 Imposition of Tax.

There is imposed on any person engaging in business in this municipality, for the
privilege of engaging in business in this municipality, an excise tax equal to one and one-quarter
percent (1.25%) of the gross receipts reported or required to be reported by the person pursuant to
the New Mexico Gross Receipts and Compensating Tax Act as it now exists or as it may be
amended. The tax imposed under this section is pursuant to the Municipal Local Option Gross

1 Receipts Taxes Act as it now exists or as it may be amended and shall be known as the
2 "municipal gross receipts tax."

3 **18-10.2 General Provisions.**

4 This section hereby adopts by reference all definitions, exemptions and deductions
5 contained in the Gross Receipts and Compensating Tax Act as it now exists or as it may be
6 amended.

7 **18-10.3 Specific Exemptions.**

8 No municipal gross receipts tax shall be imposed on the gross receipts arising from:

9 A. Direct broadcast satellite services;

10 B. Transporting persons or property for hire by railroad, motor vehicle, air
11 transportation or any other means from one point within the municipality to another point outside
12 the municipality; or

13 C. A business located outside the boundaries of a municipality on land owned by the
14 municipality for which a state gross receipts tax distribution is made pursuant to subsection C of
15 Section 7-1-6.4 NMSA 1978.

16 **18-10.4 Dedication.**

17 Revenue from the one and one-quarter percent (1.25%) municipal gross receipts tax will
18 be used for the purpose(s) listed below:

19 A. Revenue from the first two (2) one-quarter percent (1/4%) increments of the
20 municipal gross receipts tax is dedicated for the following purposes:

21 (1) Annual debt service for municipal gross receipts tax revenue bonds or
22 other bonds for municipal projects issued for the construction, reconstruction,
23 improvements and replacement of city facilities, parks, streets, sidewalks, utilities, and
24 other public works projects including the related equipment and furnishings for the
25 facilities.

1 (2) If there are proceeds remaining they may be used for:

2 (a) Construction, reconstruction, improvements, replacement,
3 facility structural maintenance and repair, including related equipment and
4 furnishings for the facilities.

5 (b) Operating expenditures necessitated by the expansion of services
6 and facilities to the public.

7 (c) Personnel, operating, contractual, accounting, administration,
8 equipment, vehicles and other costs related to the city's capital improvements
9 program and operations of public works department.

10 (d) Computer hardware and software.

11 B. Revenue from the third and fourth one-quarter percent (1/4%) increments of the
12 municipal gross receipts tax is dedicated to general fund.

13 C. Revenue from the fifth one-quarter percent (1/4%) increment of the municipal
14 gross receipts tax is dedicated to the public bus system and quality of life purposes in the
15 following manner:

16 (1) Finance the acquisition, operation, maintenance and any other expenses
17 necessary for or incidental to the provision of a public bus system. In the event that the
18 public bus system is ever discontinued, the funds allocated pursuant to this paragraph
19 shall be used for general municipal operations and the discontinuance of the public bus
20 system shall not affect the allocations set out in paragraph (2) below. The governing body
21 shall not discontinue the public bus system until the notice and hearing requirements of
22 subsections 2-2.3A, 2-2.3B, 2-2.4A, 2-2.4D, 2-2.6 SFCC 1987 have been met.

23 (2) After satisfying the distribution provided for in paragraph C (1),
24 [provision of a public bus system,] the remaining proceeds of the gross receipts tax shall
25 be allocated [as set forth in subparagraphs (2)(a) and (2)(b) below.

1 (a) ~~Up to two thirds (2/3) of the proceeds remaining following the~~
2 ~~distributions provided for in paragraph C(2) of the gross receipts tax shall be~~
3 ~~used for general municipal operations.~~

4 (b) ~~Up to one third (1/3) of the proceeds remaining following the~~
5 ~~distributions provided for in paragraph C(1) of the gross receipts tax shall be~~
6 ~~used]~~exclusively for the following quality of life purposes: [recreation]
7 recreational facilities, bike and pedestrian pathways, [open space] libraries, and
8 parks.

9 **18-10.5 Effective Date.**

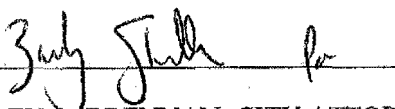
10 A. The effective date of the first two (2) one-quarter percent (1/4%) increments of
11 the municipal gross receipts tax shall be January 1, 1982.

12 B. The effective date of the third one-quarter percent (1/4%) increments of the
13 municipal gross receipts tax shall be July 1, 1983.

14 C. The effective date of the fourth one-quarter percent (1/4%) increments of the
15 municipal gross receipts tax shall be July 1, 1988.

16 D. The effective date of the fifth one-quarter percent (1/4%) increments of the
17 municipal gross receipts tax shall be ~~[January 1, 1992]~~ July 1, 2016.

18 APPROVED AS TO FORM:

19
20 
21 KELLEY A. BRENNAN, CITY ATTORNEY

22
23
24
25 *M/Legislation/Bills 2015/Municipal GRT Dedication*

City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: X Resolution: _____

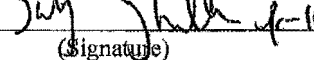
(A single FIR may be used for related bills and/or resolutions)

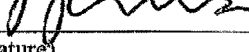
Short Title(s): **A BILL AMENDING SUBSECTION 18-10 SFCC 1987 TO REDEDICATE A PORTION OF THE MUNICIPAL GROSS RECEIPTS TAX TO RECREATIONAL FACILITIES, AND BIKE AND PEDESTRIAN PATHWAYS.**

Sponsor(s): Councilor Joseph Maestas

Reviewing Department(s): Finance Department

Persons Completing FIR: Oscar Rodriguez Date: 9/21/15 Phone: 955-6530

Reviewed by City Attorney:  Date: 9/21/15
(Signature)

Reviewed by Finance Director:  Date: 9-21-2015
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:

This bill would rededicate a portion of the fifth 1/4% municipal gross receipts tax from general municipal operations, recreation and open spaces to recreation facilities as well as bike and pedestrian pathways. This rededication would incur no additional fiscal impact as it is only moving existing revenue to other recipients.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: 

X Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non- recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non- recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____
Total:	\$ _____			\$ _____			

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non- recurring	FY _____	"R" Costs – Recurring or "NR" Non- recurring	Fund Affected

_____	\$ _____	_____	\$ _____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____
Total:	\$ _____		\$ _____		

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

The resolution will have the effect of formally designating the remaining funds from the last of the ¼% GRT tax after it is used for public transport needs. Currently this revenue (approximately \$1.2 million) goes to the General Fund, which in turn funds Libraries, Parks, and public trails maintenance. As an equal amount of funding for parks and trails maintenance goes away when the proceeds from the 2014 GRT bonds are used up next spring, this designation will help keep this important activity a priority when scarce resources come to be rationed in the next budget cycle.

Section D. General Narrative

1. **Conflicts:** Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

Amends current code that specifies how a portion of the municipal gross receipts tax is dedicated.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

Status Quo.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

This bill would move a small portion of funds from general municipal operations to recreational facilities and bike/pedestrian pathways. This would allow continued development and maintenance of the City's recreational amenities that make it a haven for outdoor enthusiasts.