

0-2018-001

**CITY OF ALBUQUERQUE
CITY COUNCIL**

3/9/18

INTEROFFICE MEMORANDUM

TO: Timothy M. Keller, Mayor

FROM: Jon K. Zaman, Director of Council Services

JKZ

SUBJECT: Transmittal of Legislation

Transmitted herewith is Bill No. O-18-9 Adopting A Three Eighths Of One Percent (.375%) Municipal Hold Harmless Gross Receipts Tax (Sanchez, Jones), which was passed at the Council meeting of March 5, 2018 by a vote of 8 FOR AND 1 AGAINST.

Against: Winter

In accordance with the provisions of the City Charter, your action is respectfully requested.

JKZ:mh
Attachment

RECEIVED
ALBUQUERQUE CITY CLERK

2018 MAR 16 PM 1:23

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1 **WHEREAS, by the time the state mandated phase out is completed, the**
2 **state will have taken from the City approximately \$37 million in recurring**
3 **revenue; and**

4 **WHEREAS, in addition, since the beginning of the great recession gross**
5 **receipts tax revenue has underperformed projections, resulting in the City**
6 **having to employ austerity measures in order to balance the budget; and**

7 **WHEREAS, one of those austerity measures was suspending hiring for**
8 **positions within many City departments, including Planning, Environmental**
9 **Health, DMD, and Parks & Recreation; and**

10 **WHEREAS, suspending hiring for vacant positions has resulted in many**
11 **departments having large numbers of critical positions unfilled, including**
12 **code enforcement specialists, building inspectors, plan checkers, engineers,**
13 **skilled trades workers, and parks maintenance personnel; and**

14 **WHEREAS, additional funding is necessary to ensure that the City can fill**
15 **these critical positions and continue to provide the high level of municipal**
16 **services that Albuquerque’s citizens expect and deserve; and**

17 **WHEREAS, the effects of drug abuse and untreated mental health issues**
18 **have caused an incredible strain on the public safety and judicial systems in**
19 **our community, and this burden could be lessened if those suffering from**
20 **drug abuse or mental illness are able to receive the adequate treatment before**
21 **the need to engage with local law enforcement and the court system; and**

22 **WHEREAS, public safety will be the first priority for utilizing the additional**
23 **tax revenues generated by the municipal hold harmless gross receipts tax**
24 **described below.**

25 **BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF**
26 **ALBUQUERQUE:**

27 **Section 1. Imposition of Tax. There is imposed on any person**
28 **engaging in business in this municipality for the privilege of engaging in**
29 **business in this municipality an excise tax equal to three eighths of one**
30 **percent (.375%) of the gross receipts reported or required to be reported by**
31 **the person pursuant to the New Mexico Gross Receipts and**
32 **Compensating Tax Act as it now exists or as it may be amended. The tax**
33 **imposed under this ordinance is pursuant to the Municipal Local Option Gross**

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

3 Section 2. General Provisions. This ordinance hereby adopts by reference
4 all definitions, exemptions and deductions contained in the Gross Receipts
5 and Compensating Tax Act as it now exists or as it may be amended.

6 Section 3. Specific Exemptions. No municipal hold harmless gross
7 receipts tax shall be imposed on the gross receipts arising from:

8 A. transporting persons or property for hire by railroad, motor vehicle, air
9 transportation or any other means from one point within the municipality to
10 another point outside the municipality;

11 B. a business located outside the boundaries of a municipality on land
12 owned by that municipality for which a state gross receipts tax distribution is
13 made pursuant to Subsection C of Section 7-1-6.4 NMSA 1978; or

14 C. direct broadcast satellite services.

15 Section 4. Dedication. Revenue from the municipal hold harmless gross
16 receipts tax will be used for the purposes listed below:

17 A. In Fiscal Years 2019 and 2020, no less than 60% of the tax receipts
18 shall be used for the City's Public Safety Budget Goal Priorities.

19 B. General Municipal Purposes.

20 Section 5. Effective Date. The effective date of the municipal hold harmless
21 gross receipts tax shall be either January 1, or July 1, whichever date occurs
22 first after the expiration of three months from the date this ordinance is
23 adopted.

24 Section 6. It shall be the policy of City to consider behavioral health and
25 substance abuse prevention and intervention programs a component of Public
26 Safety services for the purposes of prioritizing the use of the municipal hold
27 harmless gross receipts tax revenues.

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1 PASSED AND ADOPTED THIS 5th DAY OF March, 2018
2 BY A VOTE OF: 8 FOR 1 AGAINST.

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Against: Winter

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Ken Sanchez, President

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City Council

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APPROVED THIS 15 DAY OF March, 2018

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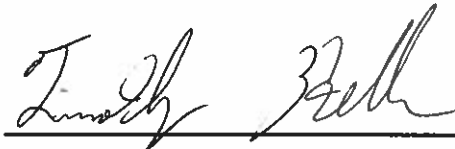
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Bill No. O-18-9

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Timothy M. Keller, Mayor

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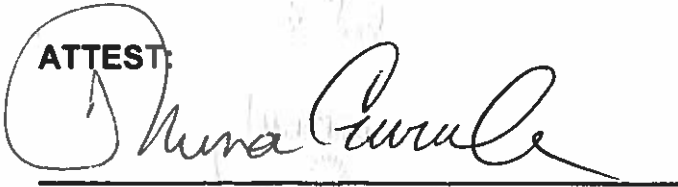
City of Albuquerque

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ATTEST:



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Trina Gurule, Acting City Clerk

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