

CITY of ALBUQUERQUE TWENTY-FIRST COUNCIL

COUNCIL BILL NO. F/S O-14-14 ENACTMENT NO. _____

SPONSORED BY: Klarissa Peña and Ken Sanchez

1 **ORDINANCE**
2 **IMPOSING AN EXCISE TAX EQUAL TO ONE-EIGHTH OF ONE PERCENT**
3 **(0.125%) OF GROSS RECEIPTS TO BE USED FOR THE PURPOSE OF**
4 **FUNDING ESSENTIAL SERVICES.**

5 **BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF**
6 **ALBUQUERQUE:**

7 Section 1. **NAME.** The municipal gross receipts tax shall be known
8 popularly as the “Essential Services Tax.”

9 Section 2. **IMPOSITION OF TAX.** There is imposed on any person
10 engaging in business in this municipality, for the privilege of engaging in
11 business in this municipality, an excise tax equal to one-eighth of one percent
12 (0.125%) of the gross receipts reported or required to be reported by the
13 person pursuant to the New Mexico Gross Receipts and Compensating Tax
14 Act as it now exists or as it may be amended. The tax imposed under this
15 Ordinance is pursuant to the Municipal Gross Receipts Tax Act, as it now
16 exists or is amended, and shall be known as the “Municipal Gross Receipts
17 Tax.”

18 Section 3. **GENERAL PROVISIONS.** This Ordinance hereby adopts by
19 reference all definitions, exemptions and deductions contained in the Gross
20 Receipts and Compensating Tax Act as it now exists or as it may be amended.

21 Section 4. **SPECIFIC EXEMPTIONS.** No municipal gross receipts tax shall
22 be imposed on the gross receipts arising from:

23 (A) Transporting persons or property for hire by railroad, motor
24 vehicle, air transportation, or any other means from one point within the
25 municipality to another point outside the municipality; or

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1 (B) A business located outside the boundaries of a municipality
2 on land owned by that municipality for which a state gross receipts tax
3 distribution is made pursuant to Section 7-1-6.4C NMSA 1978; or

4 (C) Direct broadcast satellite services.

5 Section 5. DEDICATION. Revenue from the Essential Services Tax will be
6 used for the following two purposes:

7 (A) 50% to provide funding for accessible inpatient and outpatient
8 mental health services and services related to homelessness, the
9 developmentally disabled, substance abuse and at-risk populations; and

10 (B) 50% for services or capital improvements related to mental
11 health, homelessness, the developmentally disabled, substance abuse and at-
12 risk populations.

13 (C) The portion of the revenue of the Essential Services Tax
14 referred to in Subsection B of this Section may be dedicated and pledged to
15 the payment of that amount necessary to pay the principal of, premium, if any,
16 and interest on bonds, notes, other evidences of borrowing and other
17 obligations issued and delivered to finance the capital improvements referred
18 to in Subsection B.

19 (D) No portion of the revenues of the Essential Services Tax shall
20 be used to pay for any portion of the salaries or benefits of City employees,
21 other than indirect costs and overhead. No portion of the Essential Services
22 Tax referred to in this Section shall be used to pay for programs already under
23 contract with the City of Albuquerque as of the effective date of this
24 ordinance. The Essential Services Tax may only be used for net new services
25 through new providers or the expansion of services from existing providers.

26 (E) Along with each year's proposed appropriation of Essential
27 Services Tax, the Administration shall provide the City Council with a report
28 on the collections and expenditures of the Tax which shall include, at a
29 minimum, the following information:

30 1. An accounting of the total tax collected life to date with actual
31 appropriations life to date, as well as an accounting of the tax projects to be
32 collected during the current fiscal year;

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1 2. A reconciliation of the total tax collected life to date with actual
2 appropriations life to date, by category (essential services, capital
3 improvements);

4 3. A listing of all contracts and services provided pursuant to
5 this Section, and a listing of all projects funded pursuant to this Section.

6 4. An updated list of all contracts and projects proposed to be
7 funded from the Essential Services Tax.

8 Section 6. EFFECTIVE DATE OF TAX. The effective date of the Municipal
9 Gross Receipts Tax imposed by this ordinance shall be July 1, 2015, and only
10 after the results of the election are certified to be in favor of the ordinance's
11 adoption and the adopted ordinance is delivered or mailed to the Taxation and
12 Revenue Department.

13 Section 7. SEVERABILITY CLAUSE. If any section, paragraph, sentence,
14 clause, word or phrase of this ordinance is for any reason held to be invalid or
15 unenforceable by any court of competent jurisdiction, such decision shall not
16 affect the validity of the remaining provisions of this ordinance. The Council
17 hereby declares that it would have passed this ordinance and each section,
18 paragraph, sentence, clause, word or phrase thereof irrespective of any
19 provision being declared unconstitutional or otherwise invalid.

20 Section 8. COMPILATION. This ordinance shall be incorporated in and
21 made part of the Revised Ordinances of Albuquerque, New Mexico, 1994.

22 Section 9. EFFECTIVE DATE. The effective date of this Ordinance shall
23 be five days after publication in full.
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