## CITY of ALBUQUERQUE TWENTY THIRD COUNCIL

со	UNCI	L BILL NO. <u>0-18-9</u> ENACTMENT NO
SPONSORED BY: Ken Sanchez & Trudy Jones		
	1	ORDINANCE
[ <u>Bracketed/Underscored Material]</u> - New [ <del>Bracketed/Strikethrough Material</del> ] - Deletion	2	ADOPTING A THREE EIGHTHS OF ONE PERCENT (.375%) MUNICIPAL HOLD
	3	HARMLESS GROSS RECEIPTS TAX
	4	WHEREAS, public safety is the top priority of the Mayor and the City
	5	Council, and the City desires to ensure that it provides sufficient funding for
	6	Albuquerque's first responders so that the public feels safe in their homes and
	7	neighborhoods; and
	8	WHEREAS, a shortage of officers within the Albuquerque Police
	9	Department (APD) has resulted in increased response times to calls for
	10	service and has hampered APD's community policing efforts; and
	11	WHEREAS, the recruitment and retention of officers is an increasing
	12	challenge for police agencies in the State and across the Nation; and
		WHEREAS, for the past several years, APD has similarly experienced a
	14	decrease in the number of officers on its force; and
	15	WHEREAS, while APD is aggressively marketing and recruiting new
	16	officers, selecting, vetting, and training new applicants is a lengthy process,
	17	making it difficult to quickly fill officer positions; and
	18	WHEREAS, additional funding is necessary to ensure that the City has the
	19	resources in place to attract more police officers and other first responders to
	20	Albuquerque; and
	21	WHEREAS, the City's five-year forecast currently projects a deficit in the
	22	City's general operating fund of approximately \$40 million in Fiscal Year 2019;
	23	and
	24	WHEREAS, a large part of that deficit is due to the recent actions of the
	25	New Mexico State Legislature, who passed legislation phasing out the City's
	26	Hold Harmless payments at a rate of approximately \$2.45 million per year; and

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

WHEREAS, in addition, since the beginning of the great recession gross
receipts tax revenue has underperformed projections, resulting in the City
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

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

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

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

20 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF21 ALBUQUERQUE:

22 Section 1. Imposition of Tax. There is imposed on any person 23 engaging in business in this municipality for the privilege of engaging in 24 business in this municipality an excise tax equal to three eighths of one 25 percent (.375%) of the gross receipts reported or required to be reported by 26 the person pursuant to the New Mexico Gross Receipts and 27 Compensating Tax Act as it now exists or as it may be amended. The tax 28 imposed under this ordinance is pursuant to the Municipal Local Option Gross 29 Receipts Taxes Act as it now exists or as it may be amended and shall 30 be known as the "municipal hold harmless gross receipts tax."

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

[Bracketed/Underscored Material] - New [Bracketed/Strikethrough Material] - Deletion Section 3. Specific Exemptions. No municipal gross receipts tax shall be imposed on the gross receipts arising from:

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

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

C. direct broadcast satellite services.

Section 4. Dedication. Revenue from the municipal hold harmless gross receipts tax will be used for general municipal purposes.

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

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