CITY of ALBUQUERQUE
TWENTY SEVENTH COUNCIL

COUNCIL BILL NO. ___O-26-16______ ENACTMENT NO. _________________________

SPONSORED BY: Joaquín Baca and Brook Bassan

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ORDINANCE

IMPOSING A MUNICIPAL GROSS RECEIPTS TAX AND PROVIDING FOR THE USE OF REVENUES FOR MUNICIPAL CAPITAL PROJECTS, INCLUDING RELATED DEBT SERVICE, AND MUNICIPAL OPERATIONS.

WHEREAS, the City seeks to impose a municipal gross receipts tax to provide a balanced, stable, and sustainable revenue source to support larger-scale generational municipal capital improvements and their necessary operational costs, address documented compensation gaps affecting the City's workforce, and maintain access to essential City services through the thoughtful evaluation and adjustment of select municipal fees, thereby strengthening infrastructure, workforce stability, and long-term fiscal health for the residents of Albuquerque; and

WHEREAS, revenues generated are necessary to support the ongoing operating expenses of current and newly constructed City facilities, ensuring these public investments remain open, staffed, and fully functional for Albuquerque residents, also giving the City the flexibility to reduce fees for local residents and businesses; and

WHEREAS, the City of Albuquerque has undertaken a comprehensive Classification and Compensation Study, which benchmarked current City employee pay and job classifications against local, regional, and national public sector labor markets and identified structural and market alignment discrepancies affecting competitiveness, internal equity, and classification structure that warrant adjustment; and

WHEREAS, the Council further finds that municipal user fees, including but not limited to fees for golf courses, swimming pools, recreation facilities, and

certain permitting-related services, directly affect accessibility to public amenities and participation in economic and community activity; and

WHEREAS, the City Council, as the legislative body of the City of Albuquerque, holds a fiduciary duty to steward and appropriate taxpayer dollars responsibly and in the highest regard for fiscal integrity, transparency, and long-term financial sustainability.

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

SECTION 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 0.4875% 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 ordinance is pursuant to the Municipal Local Option Gross Receipts Taxes Act as it now exists or as it may be amended and shall be known as the “Community Enhancement Municipal 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.

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. Revenues from the Community Enhancement Municipal Gross Receipts Tax shall be used for municipal capital projects, and related bond debt service, as applicable, including, but not limited to, design, construction, acquisition, improvement, renovation, rehabilitation, and equipping or furnishing thereof, and for general municipal operational purposes.

SECTION 5. Effective Date. The effective date of the municipal gross receipts tax shall be either July 1, three months from the date this Ordinance is adopted, unless an election is held on the question of approving the ordinance, in which case the effective date shall be July 1, three months from the date when the results of the election are certified to be in favor of the ordinance's adoption and the adopted ordinance is delivered or mailed to the Taxation and Revenue Department.

SECTION 6. Delivery to the State Taxation and Revenue Department. The City Clerk shall provide a certified copy of this Ordinance to the State Taxation and Revenue Department within five (5) days after the date this Ordinance is enacted pursuant to SECTION 5.

SECTION 7. Severability. If any section, paragraph, sentence, clause, word, or phrase of this Ordinance is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, paragraph, sentence, clause, word, or phrase thereof irrespective of any provision being declared unconstitutional or otherwise invalid.

SECTION 8. Compilation. SECTIONS 1-5 of this Ordinance are to be compiled as a new Part 11 in Chapter 4, Article 3 of the Revised Ordinances of Albuquerque, New Mexico, 1994, titled "Community Enhancement Municipal Gross Receipts Tax."

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