CITY of ALBUQUERQUE
TWENTY SEVENTH COUNCIL

COUNCIL BILL NO. O-26-42 ENACTMENT NO. ____________

SPONSORED BY: Brook Bassan and Klarissa J. Peña

[Bracketed/Underscored Material] - New
[~~Bracketed/Strikethrough Material~~] - Deletion

ORDINANCE

IMPOSING A MUNICIPAL GROSS RECEIPTS TAX AND PROVIDING FOR THE USE OF REVENUES FOR MUNICIPAL OPERATIONS AND MAINTENANCE AND COST-OF-LIVING, AND FOR MUNICIPAL COMMUNITY ENHANCEMENT PROJECTS, INCLUDING RELATED DEBT SERVICE.

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 and maintenance costs, address documented compensation gaps affecting the City's workforce, and maintain access to essential City services, 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 and maintenance expenses of current and newly constructed City facilities, ensuring these public investments remain open, staffed, and fully functional for city residents; 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. Pending voter approval, 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 four thousand eight hundred seventy-five ten-thousandths of one percent (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 and Local Investment 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 and Local Investment Tax” shall be used as follows:

A. 50% of revenues shall be dedicated for general municipal operational and maintenance purposes and cost-of-living.

B. 50% of revenues shall be dedicated for municipal community enhancement projects and related debt service, as applicable, including, but not limited to, design, construction, acquisition, improvement, renovation, rehabilitation, and equipping or furnishing thereof.

1. The amount dedicated for municipal community enhancement projects shall be divided equitably by ten, with a portion for community enhancement projects in each of the nine City Council districts and a portion for community enhancement projects city-wide.

2. Projects that can be started within six months of the issuance of one or more bonds to finance such project secured by the revenues dedicated for municipal community enhancement projects shall be identified and

defined prior to issuance of such bonds, and a listing of the projects shall be included in the bond ordinance approving issuance of the bonds.

3. Any gross receipts tax funds collected under this section that are not bonded against by July 1, 2028 shall revert to the General Fund for general municipal operational and maintenance purposes and cost-of-living.

SECTION 5. Sunset. The Community Enhancement and Local Investment Tax shall sunset 21 years after the effective date of this ordinance, unless by resolution City Council elects to continue the tax.

SECTION 6. Effective Date. The effective date of the municipal gross receipts tax shall be July 1, 2027, at least 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 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 and Local Investment Tax."