

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2014-____

Proposed Home Rule Taxing Authority Legislation

SPONSOR(S): Councilor Maestas

SUMMARY: The resolution calls on the New Mexico State Legislature to take immediate action during the 2015 legislative session to enact legislation that would remove the taxing limitations currently imposed on home rule municipalities.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: July 3, 2014

ATTACHMENTS: Resolution
FIR

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2014-___

3 INTRODUCED BY:

4
5 Councilor Joseph Maeastas

6
7
8
9
10 A RESOLUTION

11 CALLING ON THE NEW MEXICO STATE LEGISLATURE TO TAKE IMMEDIATE
12 ACTION DURING THE 2015 LEGISLATIVE SESSION TO ENACT LEGISLATION THAT
13 WOULD REMOVE THE TAXING LIMITATIONS CURRENTLY IMPOSED ON HOME
14 RULE MUNICIPALITIES.

15
16 WHEREAS, Article X, Section 6 of the New Mexico Constitution authorizes municipalities
17 in the state of New Mexico to adopt Home Rule Charters; and

18 WHEREAS, the voters of the City of Santa Fe, New Mexico approved the adoption of
19 the *Santa Fe Municipal Charter* (“*Charter*”) in 1997 and the *Charter* has been subsequently
20 amended by the voters in 2008 and in 2014; and

21 WHEREAS, Paragraph D. of Article X, Section 6 states that “No tax imposed by the
22 governing body of a charter municipality, except a tax authorized by general law, shall become
23 effective until approved by a majority vote in the charter municipality;” and

24 WHEREAS, §3-15-7 NMSA 1978 provides that a home rule charter “shall not authorize the
25 levy of any tax not specifically authorized by the laws of the state;” and

1 **WHEREAS**, §3-18-2 NMSA 1978 prohibits any municipality from imposing an income tax,
2 a tax on property measured on an ad valorem, per unit or other basis or any excise tax, including but
3 not limited to sales taxes, gross receipts and excise taxes on any incident relating to tobacco, liquor,
4 motor fuels and motor vehicles; and

5 **WHEREAS**, state law has severely restricted the ability of a home rule municipality to
6 impose certain taxes, therefore, there is a need for the Legislature to take immediate action and amend
7 state law to remove taxing limitations imposed on home rule municipalities and permit such
8 municipalities to have the authority to benefit from such tax revenue sources.

9 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
10 **CITY OF SANTA FE** that the Governing Body hereby calls on the New Mexico State Legislature to
11 take immediate action during the 2015 legislative session to enact legislation that would remove the
12 taxing limitations currently imposed on home rule municipalities to permit home rule municipalities
13 to have increased taxing authority.

14 **BE IT FURTHER RESOLVED** that the City Clerk is directed to forward a copy of this
15 resolution to the City's State legislative delegation, the New Mexico Municipal League and the City's
16 lobbyist.

17 PASSED, APPROVED, and ADOPTED this ___ day of _____, 2014.

18
19 _____
20 JAVIER M. GONZALES, MAYOR

21 ATTEST:

22
23 _____
24 YOLANDA Y. VIGIL, CITY CLERK
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPROVED AS TO FORM:

Handwritten signature of Kelley A. Brennan in cursive script, written over a horizontal line.

KELLEY A. BRENNAN, CITY ATTORNEY

City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: _____ Resolution: X
(A single FIR may be used for related bills and/or resolutions)

Short Title(s): A RESOLUTION CALLING ON THE NEW MEXICO STATE LEGISLATURE TO TAKE IMMEDIATE ACTION DURING THE 2015 LEGISLATIVE SESSION TO ENACT LEGISLATION THAT WOULD REMOVE THE TAXING LIMITATIONS CURRENTLY IMPOSED ON HOME RULE MUNICIPALITIES.

Sponsor(s): Councilor Maestas

Reviewing Department(s): City Attorney's Office

Person Completing FIR: Rebecca Seligman Date: July 3, 2014 Phone: 955-6501

Reviewed by City Attorney: *Kelley A. Belman* Date: 7/8/14
(Signature)

Reviewed by Finance Director: *[Signature]* Date: 7/8/14
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution.

The purpose of the resolution is to call on the New Mexico Legislature to take immediate action during the 2015 legislative session to enact legislation that would remove the taxing limitations currently imposed on homerule municipalities.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

X Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Total:	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
Total:	\$ _____	_____	\$ _____	_____	_____	_____

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

Not applicable

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None that staff is aware of.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

The City would not be able to call on the New Mexico State Legislature to assist with enacting legislation to remove the taxing limitations currently imposed on homerule municipalities and would therefore, not be able to have increased taxing authority.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None that staff is aware of.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

The major positive effect of adopting this resolution is that the City could potentially be able to have increased taxing authority.

Form adopted: 01/12/05; revised 8/24/05; 4/17/08