



**ACTION SHEET**  
**CITY COUNCIL COMMITTEE MEETING OF 07/29/2015**  
**ITEM FROM FINANCE COMMITTEE MEETING OF 07/13/2015**

**ISSUE:**

24. Request for Approval of a Resolution Recommending the Governing Body Oppose any Legislation that Would Alter the Method by Which Municipal Gross Receipts Taxes are Distributed to Municipalities. (Councilor Maestas) (Oscar Rodriguez)

**Committee Review:**

City Council (scheduled)

07/29/15

Fiscal Impact – No

**FINANCE COMMITTEE ACTION:**

Approved as Consent item.

**FUNDING SOURCE:**

**SPECIAL CONDITIONS OR AMENDMENTS**

**STAFF FOLLOW-UP:**

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR TRUJILLO	X		
COUNCILOR RIVERA	Acting Chair X		
COUNCILOR LINDELL	Excused		
COUNCILOR MAESTAS	X		
CHAIRPERSON DOMINGUEZ	Excused		

06/29/2015

# City of Santa Fe, New Mexico

## LEGISLATIVE SUMMARY

Resolution No. 2015-\_\_\_\_  
Gross Receipts Taxes

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**SPONSOR(S):** Councilors Rivera and Bushee

**SUMMARY:** The proposed resolution recommends the Governing Body oppose any legislation that would alter the method by which municipal gross receipts taxes are distributed to municipalities.

**PREPARED BY:** Rebecca Seligman, Legislative Liaison Assistant

**FISCAL IMPACT:** Yes

**DATE:** July 2, 2015

**ATTACHMENTS:** Resolution  
FIR

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2015-\_\_

3 INTRODUCED BY:

4  
5 Councilor Joseph M. Maestas  
6  
7  
8  
9

10 A RESOLUTION

11 RECOMMENDING THE GOVERNING BODY OPPOSE ANY LEGISLATION THAT  
12 WOULD ALTER THE METHOD BY WHICH MUNICIPAL GROSS RECEIPTS TAXES  
13 ARE DISTRIBUTED TO MUNICIPALITIES.  
14

15 WHEREAS, the potential for distributing municipal gross receipts taxes on a per capita  
16 basis has been discussed by the New Mexico Taxation and Revenue Department in an informal  
17 manner; and

18 WHEREAS, the concept of distributing municipal gross receipts taxes on a per capita  
19 basis was introduced in proposed legislation in the early 1990's; and

20 WHEREAS, distributing municipal gross receipts taxes on a per capita basis causes  
21 some municipalities to lose revenues, and others to gain revenues; and

22 WHEREAS, distributing municipal gross receipts taxes on a per capita basis fails to  
23 recognize the unique circumstances of individual municipal economies; and

24 WHEREAS, municipalities that rely on tourism as their economic engine serve much  
25 larger populations than those that reside in the municipality as permanent residents; and

1           **WHEREAS**, municipalities that are located in areas that rely on extractive industries for  
2 their economic engine are subject to fluctuations in prices for the commodities being extracted,  
3 and experience “boom” and “bust” cycles; and

4           **WHEREAS**, the City of Santa Fe is slated to lose nearly \$10 million per year under a  
5 system that allocates municipal gross receipts taxes on a per capita basis.

6           **NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**  
7 **CITY OF SANTA FE** oppose any legislation that would alter the method by which municipal  
8 gross receipts taxes are distributed to municipalities

9           **BE IT FURTHER RESOLVED** that a copy of this resolution be transmitted to the State  
10 legislative delegation serving the City of Santa Fe, the New Mexico Municipal League, and the  
11 Governor of the State of New Mexico.

12           PASSED, APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

13  
14 \_\_\_\_\_  
15 JAVIER M. GONZALES, MAYOR

16 ATTEST:

17  
18 \_\_\_\_\_  
19 YOJANDA Y. VIGIL, CITY CLERK

20 APPROVED AS TO FORM:

21   
22 \_\_\_\_\_  
23 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 RECOMMENDING THE GOVERNING BODY OPPOSE ANY LEGISLATION THAT WOULD ALTER THE METHOD BY WHICH MUNICIPAL GROSS RECEIPTS TAXES ARE DISTRIBUTED TO MUNICIPALITIES.**

Sponsor(s): Councilor Josepb M. Maestas

Reviewing Department(s): Finance Department

Persons Completing FIR: Oscar Rodriguez Date: 7/1/15 Phone: 955-6530

Reviewed by City Attorney: Kelley A. Brennan Date: 7/6/15  
(Signature)

Reviewed by Finance Director: [Signature] Date: July 1, 2015  
(Signature)

**Section B. Summary**

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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)\*

**I. 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)

Finance Director: [Signature]

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.)

N/A

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**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 staff is aware of

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**2. Consequences of Not Enacting This Bill/Resolution:**

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

The governing body would not support opposing future legislation that would alter the method by which municipal gross receipts taxes are distributed to municipalities.

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**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 staff is aware

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**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.

If it was determined to move to the calculation of distribution of gross receipts taxes on a per capita basis, the City of Santa could potentially lose nearly \$10 million per year.

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