

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2016-____ Oppose Senate Bill 226

SPONSOR(S): Mayor Gonzales and Councilor Maestas

SUMMARY: This resolution opposes proposed legislation, Senate Bill 226 – providing that all receipts from the sale of fine art are to be reported from the place where the art is sold; distribution revenue attributable to the sale of fine art to the Cultural Affairs Department for three years.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: February 3, 2016

ATTACHMENTS: Resolution
FIR

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2016-__**

3 **INTRODUCED BY:**

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5 Mayor Javier M. Gonzales

6 Councilor Joseph Maestas

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10 **A RESOLUTION**

11 **OPPOSING PROPOSED LEGISLATION, SENATE BILL 226 – PROVIDING THAT**
12 **ALL RECEIPTS FROM THE SALE OF FINE ART ARE TO BE REPORTED FROM**
13 **THE PLACE WHERE THE ART IS SOLD; DISTRIBUTION REVENUE**
14 **ATTRIBUTABLE TO THE SALE OF FINE ART TO THE CULTURAL AFFAIRS**
15 **DEPARTMENT FOR THREE YEARS.**

16
17 **WHEREAS**, the 30 day session of the 2016 Legislative Session began January 19, 2016;
18 and

19 **WHEREAS**, statewide the arts and cultural industries account for nearly 1 of 18 jobs in the
20 state, paying \$1.37 billion in wages and salaries while generating \$137.1 million in revenues for
21 state and local governments; and

22 **WHEREAS**, Santa Fe has the highest concentration of architects, writers and fine artists
23 of any metropolitan area in the United States; and

24 **WHEREAS**, brick and mortar galleries are a significant part of Santa Fe’s cultural
25 industries, providing tax revenues, employment and tourism appeal; and

1 **WHEREAS**, local galleries face increased competition for sales from online retailers that
2 would be exacerbated by the passage of Senate Bill 226.

3 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
4 **CITY OF SANTA FE** to oppose Senate Bill 226, which provides that all receipts from the sale
5 of fine art are to be reported from the place where the art is sold and the revenue attributable to
6 the sale of fine arts be distributed to the cultural affairs department for three years.

7 **BE IT FURTHER RESOLVED** that the City Clerk is directed to forward a copy of this
8 resolution to the City of Santa Fe lobbyist and the City of Santa Fe State Legislative Delegation.

9 PASSED, APPROVED AND ADOPTED this ____ day of _____, 2016.

10
11 _____
12 JAVIER M. GONZALES, MAYOR

13 ATTEST:

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15 _____
16 YOLANDA Y. VIGIL, CITY CLERK

17 APPROVED AS TO FORM:

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19 _____
20 KELLEY A. BRENNAN, CITY ATTORNEY

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25 *M/Legislation/Resolutions 2016/Oppose Senate Bill 226*

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 OPPOSING PROPOSED LEGISLATION, SENATE BILL 226 – PROVIDING THAT ALL RECEIPTS FROM THE SALE OF FINE ART ARE TO BE REPORTED FROM THE PLACE WHERE THE ART IS SOLD; DISTRIBUTION REVENUE ATTRIBUTABLE TO THE SALE OF FINE ART TO THE CULTURAL AFFAIRS DEPARTMENT FOR THREE YEARS.**

Sponsor(s): Mayor Javier Gonzales

Reviewing Department(s): Economic Development

Persons Completing FIR: Zackary Quintero Date: 2/3/16 Phone: 955-6042

Reviewed by City Attorney: Kelley A. Brennan Date: 2/2/16
(Signature)

Reviewed by Finance Director: Proselina Garcia Date: 2/3/16
(Signature) Finance Director

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:
The resolution opposes proposed legislation, Senate Bill 226 – providing that all receipts from the sale of fine art are to be reported from the place where the art is sold; distribution revenue attributable to the sale of fine art to the cultural affairs department for three years.

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)

Finance Director: _____

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

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

2. Consequences of Not Enacting This Bill/Resolution:

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

Opposition of SB 226 would not be conveyed to our state legislators for the City of Santa Fe.

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 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.

SB 226 would have a negative effect for the local economy in Santa Fe, specifically within the inflow of money that NMBBER has estimated to be over 319 million dollars. The legislation would also have a negative impact for local artists, galleries, and independent entrepreneurs within the arts, cultural, and tourism sector. Galleries would be subjected to a tax that would fundamentally limit their competitiveness with out of state and online galleries. This in turn would also negatively affect economic agents and employees that build their success off of gallery sales and clients. Additionally, SB 226 would negatively affect local independent artists in Santa Fe who sell art both online and in Santa Fe at local galleries by creating additional sales costs. As result of these negative impacts the Santa Fe art and cultural brand could suffer.
