**ACTION SHEET**
**ITEM FROM THE**
**PUBLIC WORKS/CIP AND LAND USE COMMITTEE MEETING**
**OF**
**MONDAY, FEBRUARY 22, 2016**

**ITEM 14**

REQUEST FOR APPROVAL OF A RESOLUTION INCREASING THE PROPERTY TAX WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE **(COUNCILOR DOMINGUEZ) (OSCAR RODRIGUEZ)**

**PUBLIC WORKS COMMITTEE ACTION: No Recommendation – Forward to FC**

**FUNDING SOURCE:**

**SPECIAL CONDITIONS / AMENDMENTS / STAFF FOLLOW UP:**

| VOTE | FOR | AGAINST | ABSTAIN |
|---|---|---|---|
| CHAIRPERSON TRUJILLO | | | |
| COUNCILOR BUSHEE | X | | |
| COUNCILOR DIMAS | Excused | | |
| COUNCILOR DOMINGUEZ | X | | |
| COUNCILOR IVES | X | | |

# City of Santa Fe, New Mexico

## LEGISLATIVE SUMMARY

### Resolution No. 2016-___

### Property Tax Increase

**SPONSOR(S):** Councilor Dominguez

**SUMMARY:** The proposed resolution would increase the property tax rate within the municipal boundaries of the City of Santa Fe by an amount to be decided by the Governing Body.

**PREPARED BY:** Jesse Guillen, Legislative Liaison

**FISCAL IMPACT:** Yes

**DATE:** February 15, 2016

**ATTACHMENTS:** Resolution
FIR

**CITY OF SANTA FE, NEW MEXICO**

**RESOLUTION NO. 2016-__**

**INTRODUCED BY:**

Councilor Carmichael A. Dominguez

**A RESOLUTION**

**INCREASING THE PROPERTY TAX WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE.**

**WHEREAS,** Section §7-37-7 NMSA 1978 permits home rule municipalities to levy property taxes on the properties located within the boundaries of the municipality; and

**WHEREAS,** there is a budgetary need to increase the property tax rate while simultaneously reducing expenditures made by the city; and

**WHEREAS,** the City of Santa Fe has the lowest property tax rate of any similarly sized municipality throughout the state of New Mexico, including Albuquerque, Las Cruces, Rio Rancho, and Roswell; and

**WHEREAS,** the City of Santa Fe currently has a property tax rate of 2.817 mills; and

**WHEREAS,** the City of Santa Fe has the statutory authority to implement a property tax rate of 7.65 mills, a difference of 4.833 mills.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE** that the property tax within the municipal boundaries of the City of Santa

Fe is hereby increased by _____ mills to a total of _____ mills.

PASSED, APPROVED AND ADOPTED this _____day of _____, 2016.

_____

JAVIER M. GONZALES, MAYOR

ATTEST:

_____

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

Kelley A. Brennan

KELLEY A. BRENNAN, CITY ATTORNEY

*M/Legislation/Resolutions 2016/Property Tax Increase*

FIR No. 2783

# 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 INCREASING THE PROPERTY TAX WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF SANTA FE.**

Sponsor(s): Councilor Dominguez

Reviewing Department(s): Finance Department

Persons Completing FIR: Oscar Rodriguez Date: _____ Phone: _____

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

Reviewed by Finance Director: [signature] Date: 2-15-2016
(Signature)

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**Section B.** **Summary**
Briefly explain the purpose and major provisions of the bill/resolution:
**This resolution would increase the property tax rate, currently set at 2.817 mills. The amount of the increase would be determined as the resolution goes through the committee process. The current rate in the city of Santa Fe is significantly lower than any of the other cities in the top five most populous in New Mexico.**

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**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: [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 **Property Tax** | FY _____ | "R" Costs Recurring or "NR" Non-recurring | FY _____ | "R" Costs – Recurring or "NR" Non-recurring | Fund Affected |
| _____ | $_____ | _____ | $_____ | _____ | _____ |
| _____ | $_____ | _____ | $_____ | _____ | _____ |
| _____ | $_____ | _____ | $_____ | _____ | _____ |
| Total: | $ TBD_ | | $_____ | | |

**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.)

**To be determined. The amount needed from property taxes is the basis for the mil levy. This exact amount will be presented as part of the city manager's recommended budget.**

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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 identified**

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

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

**The city would not increase the property tax rate, currently the lowest among the five largest cities in the state.**

**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 identified.**

**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.

**Raising the property tax rate, currently the lowest among the five largest cities in the State, would provide additional revenue for the City. However, it would place additional financial burden on the residents of the City.**