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**CITY OF SANTA FE, NEW MEXICO**

**BILL NO. 2016-11**

**INTRODUCED BY:**

Councilor Carmichael A. Dominguez

**AN ORDINANCE**

**AMENDING SUBSECTION 11-12.1 SFCC 1987 TO REMOVE THE PROVISION PERMITTING PAYMENT TO THE CITY IN LIEU OF TAXES FROM ENTERPRISE FUNDS; AND REMOVING THE SUNSET CLAUSE.**

**BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:**

**Section 1. Subsection 11-12.1 SFCC 1987 (being Ord. #1997-4 (as amended)) is amended to read:**

**11-12.1 Enterprise Fund Expenditures.**

A. All revenues generated by enterprise funds, including bond and grant proceeds, shall be expended solely for the purposes of their respective enterprise funds.

B. All revenues in excess of that needed to pay for operations and maintenance, capital outlays, bond debt service and similar revenue expenditures shall remain within their respective funds unless a failure to transfer the funds would constitute a violation of law or an impairment of an existing contract, or is made in accordance with paragraph D of this section.

1 C. Net revenue generated by enterprise funds shall be used for capital investment,  
2 repair and replacement, debt management, working capital, and transfers to the general fund.

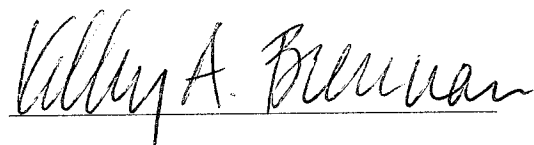
3 D. On an annual basis, the governing body may authorize a transfer to the general  
4 fund in an amount not to exceed twelve percent (12%) of the three (3) year average total  
5 operating revenues based on the previous two years' actual revenues reported in the city's annual  
6 audit, after allowing the enterprise to meet all of its operating expenses and debt service  
7 obligations, and providing for 45 days of working capital. Prior to such transfer of enterprise  
8 funds to the general fund, an analysis shall be performed to ensure that such a transfer would not  
9 require an enterprise fund rate increase; negatively affect bond ratings associated with the specific  
10 enterprise fund or be inconsistent with NMSA 1978, § 3-23-4. The city may charge the enterprise  
11 fund for duly incurred non-routine costs of city services attributable to operation and maintenance  
12 of the enterprise or enterprise fund.

13 ~~[E. The city may charge the enterprise fund the reasonable value of costs of city  
14 services attributable to operation and maintenance of the enterprise or enterprise fund.]~~

15 [F]E. This ordinance is not intended to be construed to affect, amend or repeal any  
16 provision of any bond ordinance and is not intended to pertain to the collection of payments in  
17 lieu of taxes/fees or the convention center enterprise fund.

18 ~~[G. Paragraph D of this section shall expire on June 30, 2016. Paragraph E shall take  
19 effect July 1, 2016.]~~

20 APPROVED AS TO FORM:

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23 KELLEY A. BRENNAN, CITY ATTORNEY

24  
25 *M/Legislation/Bills 2016/Enterprise Fund Amendments*