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**CITY OF SANTA FE, NEW MEXICO**

**BILL NO. 2016-13**

**INTRODUCED BY:**

Councilor Carmichael A. Dominguez

**AN ORDINANCE**

**ADOPTING A MUNICIPAL GROSS RECEIPTS TAX.**

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

**Section 1. Subsection 18-10.1 SFCC 1987 (being Ord. #1981-45 (as amended))**

**is amended to read:**

**18-10.1 Imposition of Tax.**

There is imposed on any person engaging in business in this municipality, for the privilege of engaging in business in this municipality, an excise tax equal to one and ~~one-quarter percent (1.25%)~~ one-half percent (1.5%) of the gross receipts reported or required to be reported by the person pursuant to the New Mexico Gross Receipts and Compensating Tax Act as it now exists or as it may be amended. The tax imposed under this section is pursuant to the Municipal Local Option Gross Receipts Taxes Act as it now exists or as it may be amended and shall be known as the "municipal gross receipts tax."

**Section 2. Subsection 18-10.3 SFCC 1987 (being Ord. #1981-45 (as amended))**

**is amended to read:**

1           **18-10.3           Specific Exemptions.**

2           No municipal gross receipts tax shall be imposed on the gross receipts arising from:

3           A.     Direct broadcast satellite services;

4           B.     Transporting persons or property for hire by railroad, motor vehicle, air  
5 transportation or any other means from one point within the municipality to another point outside  
6 the municipality; or

7           C.     A business located outside the boundaries of a municipality on land owned by the  
8 municipality for which a state gross receipts tax distribution is made pursuant to subsection C of  
9 Section 7-1-6.4 NMSA 1978.

10           **Section 3.           Subsection 18-10.4 SFCC 1987 (being Ord. #1981-45 (as amended))**

11 **is amended to read:**

12           **18-10.4           Dedication.**

13           Revenue from the one and [~~one-quarter percent (1.25%)~~]one-half percent (1.5%)  
14 municipal gross receipts tax will be used for the purpose(s) listed below:

15           A.     Revenue from the first two (2) one-quarter percent (1/4%) increments of the  
16 municipal gross receipts tax is dedicated for the following purposes:

17                   (1)     Annual debt service for municipal gross receipts tax revenue bonds or  
18 other bonds for municipal projects issued for the construction, reconstruction,  
19 improvements and replacement of city facilities, parks, streets, sidewalks, utilities, and  
20 other public works projects including the related equipment and furnishings for the  
21 facilities.

22                   (2)     If there are proceeds remaining they may be used for:

23                           (a)     Construction, reconstruction, improvements, replacement,  
24 facility structural maintenance and repair, including related equipment and  
25 furnishings for the facilities.

1 (b) Operating expenditures necessitated by the expansion of services  
2 and facilities to the public.

3 (c) Personnel, operating, contractual, accounting, administration,  
4 equipment, vehicles and other costs related to the city's capital improvements  
5 program and operations of public works department.

6 (d) Computer hardware and software.

7 **Editor's Note:** Originally adopted by Ordinance No. 1981-45.

8 B. Revenue from the third and fourth one-quarter percent (1/4%) increments of the  
9 municipal gross receipts tax is dedicated to the general fund.

10 **Editor's Note:** Originally adopted by Ordinance No. 1983-7 and Ordinance No. 1987-19.

11 C. Revenue from the fifth one-quarter percent (1/4%) increment of the municipal  
12 gross receipts tax is dedicated to the public bus system and quality of life purposes in the  
13 following manner:

14 (1) Finance the acquisition, operation, maintenance and any other expenses  
15 necessary for or incidental to the provision of a public bus system. In the event that the  
16 public bus system is ever discontinued, the funds allocated pursuant to this paragraph  
17 shall be used for general municipal operations and the discontinuance of the public bus  
18 system shall not affect the allocations set out in paragraph (2) below. The governing body  
19 shall not discontinue the public bus system until the notice and hearing requirements of  
20 subsections 2-2.3A, 2-2.3B, 2-2.4A, 2-2.4D, and 2-2.6 SFCC 1987 have been met.

21 (2) After satisfying the distribution provided for in paragraph C (1), the  
22 remaining proceeds of the gross receipts tax shall be allocated exclusively for the  
23 following quality of life purposes: recreational facilities, bike and pedestrian pathways -  
24 with a priority given to pathways that connect with bus stops - libraries, and parks.  
25 Allocations for these quality of life purposes shall not exceed eleven percent (11%) of the

1 total amount received from the fifth one-quarter percent (1/4%) increment of the gross  
2 receipts tax, except that any amount unspent for quality of life purposes shall be used for  
3 general municipal operations.

4 D. Revenue from the sixth one-quarter percent (1/4%) increment of the municipal  
5 gross receipts tax is dedicated to

6 **Editor's Note:** Originally adopted by Ordinance No. 1991-23.

7 **Section 4. Subsection 18-10.5 SFCC 1987 (being Ord. #1981-45 (as amended))**  
8 **is amended to read:**

9 **18-10.5 Effective Date.**

10 A. The effective date of the first two (2) one-quarter percent (1/4%) increments of  
11 the municipal gross receipts tax shall be January 1, 1982.

12 B. The effective date of the third one-quarter percent (1/4%) increments of the  
13 municipal gross receipts tax shall be July 1, 1983.

14 C. The effective date of the fourth one-quarter percent (1/4%) increments of the  
15 municipal gross receipts tax shall be January 1, 1988.

16 D. The effective date of the fifth one-quarter percent (1/4%) increments of the  
17 municipal gross receipts tax shall be January 1, 1992.

18 C. The effective date of the municipal gross receipts tax shall be either January 1, or  
19 July 1, whichever date occurs first after the expiration of three months from the date this  
20 ordinance is adopted, unless an election is held on the question of approving the ordinance, in  
21 which case the effective date shall be either January 1 or July 1, whichever date occurs first after  
22 the expiration of three months from the date when the results of the election are certified to be in  
23 favor of the ordinance's adoption and the adopted ordinance is delivered or mailed to the  
24 Taxation and Revenue Department..

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APPROVED AS TO FORM:



KELLEY A. BRENNAN, CITY ATTORNEY