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**CITY OF SANTA FE, NEW MEXICO**

**ORDINANCE NO. 2007 - 5**

**AN ORDINANCE**

**AMENDING SECTIONS 18-10.1, 18-10.3, 18-10.4 AND 18-10.5 SFCC 1987 REGARDING MUNICIPAL LOCAL OPTION GROSS RECEIPTS TAX; CLARIFYING THE IMPOSITION AND DEDICATION OF MUNICIPAL LOCAL OPTION GROSS RECEIPTS TAX; IN COMPLIANCE WITH STATE LAW.**

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

**Section 1. Section 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%) 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. Section 18-10.3 SFCC 1987 (being Ord. #1981-45, as amended) is amended to read:**

**18-10.3 Specific Exemptions.** No municipal gross receipts tax shall be imposed on the gross receipts arising from:

- A. Direct broadcast satellite services;

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

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

7           **Section 3.       Section 18-10.4 SFCC 1987 (being Ord. #1987-19, as amended) is**  
8 **amended to read:**

9           **18-10.4 Dedication.** Revenue from the one and one quarter percent (1.25%) municipal  
10 gross receipts tax will be used for the purpose(s) listed below:

11           A.       Revenue from the first two one quarter percent increments of the municipal gross  
12 receipts tax is dedicated for the following purposes:

13                   (1)       Annual debt service for municipal gross receipts tax revenue bonds or  
14 other bonds for municipal projects issued for the construction, re-construction,  
15 improvements and replacement of city facilities, parks, streets, sidewalks, utilities, and  
16 other public works projects including the related equipment and furnishings for the  
17 facilities.

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

19                           (a)       Construction, re-construction, improvements, replacement,  
20 facility structural maintenance and repair, including related equipment and  
21 furnishings for the facilities.

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

24                           (c)       Personnel, operating, contractual, accounting, administration,  
25 equipment, vehicles and other costs related to the city's capital improvements

1 program and operations of the public works department.

2 (d) Computer hardware and software.

3 **Editors Note: Originally adopted by Ordinance No. 1981-45.**

4 B. Revenue from the third and fourth one quarter percent increments of the  
5 municipal gross receipts tax is dedicated to the general fund.

6 **Editors Note: Originally adopted by Ordinance No. 1983-7 and Ordinance No. 1987-19.**

7 C. Revenue from the fifth one quarter percent increment of the municipal gross  
8 receipts tax is dedicated to the public bus system and quality of life purposes in the following  
9 manner:

10 (1) Finance the acquisition, operation, maintenance and any other expenses  
11 necessary for or incidental to the provision of a public bus system. In the event that the  
12 public bus system is ever discontinued, the funds allocated pursuant to this paragraph  
13 shall be used for general municipal operations and the discontinuance of the public bus  
14 system shall not affect the allocations set out in paragraphs (2) and (3) below. The  
15 governing body shall not discontinue the public bus system until the notice and hearing  
16 requirements of subsections 2-2.3A, 2-2.3B, 2-2.4A, 2-2.4D, 2-2.6 SFCC 1987 have been  
17 met.

18 (2) After satisfying the provision of a public bus system, the remaining  
19 proceeds of the gross receipts tax shall be allocated as set forth in subparagraphs (2)(a)  
20 and (2)(b) below.

21 (a) Up to two-thirds (2/3) of the proceeds remaining following the  
22 distributions provided for in paragraph C. (2) of the gross receipts tax shall be  
23 used for general municipal operations.

24 (b) Up to one-third (1/3) of the proceeds remaining following the  
25 distributions provided for in paragraph C. (1) of the gross receipts tax shall be

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used exclusively for the following quality of life purposes: recreation, open space, libraries and parks.

**Editors Note: Originally adopted by Ordinance No. 1991-23.**

**Section 4. Section 18-10.5 SFCC 1987 (being Ord. #1987-19, as amended) is amended to read:**

**18-10.5 Effective Date.**


A. The effective date of the first two one quarter percent increments of the municipal gross receipts tax shall be January 1, 1982.

B. The effective date of the third one quarter percent increment of the municipal gross receipts tax shall be July 1, 1983.

C. The effective date of the fourth one quarter percent increment of the municipal gross receipts tax shall be January 1, 1988.

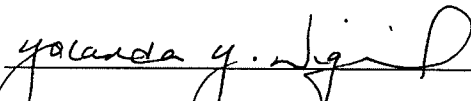
D. The effective date of the fifth one quarter percent increment of the municipal gross receipts tax shall be January 1, 1992.

PASSED, APPROVED and ADOPTED this 28<sup>th</sup> day of February, 2007.



DAVID COSS, MAYOR

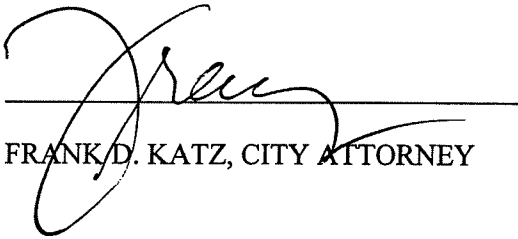
ATTEST:

  
YOLANDA Y. VIGIL, CITY CLERK

1 APPROVED AS TO FORM:

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A handwritten signature in cursive script, appearing to read "Frank D. Katz", is written over a horizontal line. The signature is positioned to the right of the line and extends slightly above and below it.

4 FRANK D. KATZ, CITY ATTORNEY

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*Jp/2007 ord/municipal grt*