

Henry P. Roybal
Commissioner, District 1

Miguel M. Chavez
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Kathy Holian
Commissioner, District 4

Liz Stefanics
Commissioner, District 5

Katherine Miller
County Manager

To: Board of County Commissioners
From: Katherine Miller, County Manager
Date: March 17, 2015

Re: **Ordinance No. 2015-__**, An Ordinance Adopting a County Hold Harmless Gross Receipts Tax

Issue. At its February 24, 2015, meeting, the Board of County Commissioners (BCC) authorized publishing title and general summary on the above-referenced ordinance. This is the first and only public hearing on the ordinance, which would enact a 1/8th of one percent increment of the County Hold Harmless Gross Receipts Tax (Hold Harmless GRT).

Background.

By way of general background, the Hold Harmless GRT:

- Is not subject to negative or positive referendum, meaning it is not subject to voter approval;
- May be used for any County purpose, though the enacting ordinance may dedicate revenue to specific purposes; and
- May be enacted in increments of 1/8th of one percent, not to exceed 3/8th of one percent.

Summary of Proposed Ordinance. The proposed ordinance would impose on any person engaging in business in Santa Fe County an excise tax equal to one-eighth of one percent (.125%) 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. This amounts to \$0.13 on a \$100 purchase.

The proposed ordinance would dedicate Hold Harmless GRT revenue to:

- A. Capital and maintenance expenditures for facilities and infrastructure wholly or partially owned by Santa Fe County, including, but not limited to, roads, buildings, and water and wastewater systems as well as the acquisition of real property and water rights for such facilities and infrastructure; and
- B. The payment of the principal, interest on and other costs, including costs of issuance, related to revenue bonds issued for any of the purposes specified in Paragraph A.

The Hold Harmless GRT would be effective either January 1 or July 1, whichever date occurs first after the expiration of three months from the date the proposed ordinance is adopted and submitted to the Taxation and Revenue Department (TRD). Consequently, for the Hold Harmless GRT to be effective on July 1, 2015, the BCC would have to adopt the ordinance and submit it to TRD on or before March 31, 2015.

Estimated Revenue. County staff estimates that the ordinance would generate approximately \$4.059 in annual revenue. Fiscal Year 2016 revenue is estimated to be approximately \$3.382 million, however, since the County would not receive a full 12 months of revenue the first year.

Recommendation. Take final action on the proposed ordinance, so that County staff knows whether to include the estimated revenue in its Fiscal Year 2016 budget.

SANTA FE COUNTY

ORDINANCE NO. 2015-_____

AN ORDINANCE

ADOPTING A COUNTY HOLD HARMLESS GROSS RECEIPTS TAX

BE IT ORDAINED BY THE GOVERNING BODY OF SANTA FE COUNTY:

Section 1. Imposition of Tax. There is imposed on any person engaging in business in Santa Fe County, for the privilege of engaging in business in Santa Fe County, an excise tax equal to one-eighth of one percent (.125%) 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 ordinance is pursuant to the County Local Option Gross Receipts Taxes Act as it now exists or as it may be amended and shall be known as the "county hold harmless gross receipts tax."

Section 2. General Provisions. This ordinance hereby adopts by reference all definitions, exemptions and deductions contained in the Gross Receipts and Compensating Tax Act as it now exists or as it may be amended.

Section 3. Specific Exemptions. No county hold harmless gross receipts tax shall be imposed on the gross receipts arising from:

- A. transporting persons or property for hire by railroad, motor vehicle, air transportation or any other means from one point within the county to another point outside the county;
- B. direct broadcast satellite services.

Section 4. Dedication. Revenue from the county hold harmless gross receipts tax will be used for one or more of the purposes listed below:

- A. Capital and maintenance expenditures for facilities and infrastructure wholly or partially owned by Santa Fe County, including, but not limited to, roads, buildings, and water and wastewater systems as well as the acquisition of real property and water rights for such facilities and infrastructure; and
- B. The payment of the principal, interest on and other costs, including costs of issuance, related to revenue bonds issued for any of the purposes specified in Paragraph A of this Section.

Section 5. Effective Date. The effective date of the county hold harmless gross receipts tax shall be either January 1 or July 1, whichever date occurs first after the expiration of three months from the date this ordinance is adopted.

PASSED, APPROVED, AND ADOPTED BY THE GOVERNING BODY OF SANTA FE COUNTY THIS 24th DAY OF MARCH, 2015.

BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY

Robert A. Anaya, Chairperson

ATTEST:

Geraldine Salazar, County Clerk

Approved as to Form:

A handwritten signature in dark ink, appearing to read "Gregory S. Shaffer", is written over a horizontal line.

Gregory S. Shaffer, County Attorney

Outstanding Encumbrance (Purchase Order) Report:

To run this report, you will be in the GMBA/Accounting module of the AS400.

Select (7) GMBA/Accounting and **Enter** (The number may vary on the menu)

Select (11) Custom Options Menu and **Enter**

Select (20) Department Outstanding PO's and **Enter**

Under the heading **Value**, you will see **1999** as the default, tab to it and change it to the **Current Fiscal Year**. Tab down to the line underneath that reflects **15** as the default, change this number to the first two numbers of your cost center (101-0121 example) for your department/division, for example, **01** would be **County Managers (Refer to the Chart of Accounts)**, press enter to run the report This will give you **ALL** of the accounts under the County Manager's Office.

If you need to print a specific division or section within the Department, enter the **Current Fiscal Year**, tab down to the **15** and enter the first two numbers of your cost center (Ex: **01** for County Managers) tab to the next blank line, type **AND** tab over to the next blank line and type **T01.GMDIV** tab over to the next blank line and type **EQ** tab over to the next blank line and type the second two digits (ex. **21** which would be **Finance**). If you need others, please follow the same process and enter the specific number for the division/section and press enter to run the report.

For any prior year outstanding encumbrances, run through the same process except that at the line noting **15**, you will change that to **9** plus the second number in your department, for example, **90** will be the County Managers, and on the next blank line, type **AND** tab over to the next blank line and type **T01.GMDIV** tab over to the next blank line and type **EQ** tab over to the next blank line and type **01** to bring up all the prior year Purchase Orders under the County Managers. Press enter to run the report. (**Please refer to the Crosswalk for any prior year cost centers for any other funds you might need to run**).



