AGENDA
Clovis City Commission Special Meeting
North Annex, Clovis-Carver Library
5:15 PM, Wednesday, March 22, 2017

I. PLEDGE OF ALLEGIANCE

II. OFFICIAL SALUTE TO THE NEW MEXICO FLAG: "I salute the flag of the State of New Mexico the Zia symbol of perfect friendship among united cultures."

III. ROLL CALL

IV. INTRODUCTION AND ADOPTION OF RESOLUTIONS AND ORDINANCES

1. Request for Approval of Adoption of Ordinance Number 2087-2017 Municipal Hold Harmless Gross Receipts Tax, Larry Fry, Claire Burroughes

V. ADJOURNMENT

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk at 321 Connelly if a summary or other type of accessible format is needed. Items placed under the Consent Agenda are recommended by the City Manager as Consent Items.

City of Clovis, New Mexico
Request for Commission Approval

Requestor: Claire Burroughes

Department: Administration

Date: 3/17/2017

Type of Action: Ordinance**D**ate Action Required: March 22, 2017

Request for Approval of Adoption of Ordinance Number 2087-2017 Municipal Hold Harmless Gross Receipts Tax, Larry Fry

This item was introduced at the March 2nd, 2017 Commission meeting, has been advertised with the local news media, and is before the Commission for final action.

The 2013 state legislative session removed the provision that allowed cities to be held harmless from the loss of gross receipts tax from the sale of food and prescription drugs which was implemented in 2005. Fiscal year 2016 was the first year the City was impacted by the loss. The loss will continue for the next 14 years with an anticipated cumulative loss of $24 million dollars.

The State will allow municipalities implement three 1/8th % increments to offset the loss. This Ordinance will implement the first of those 1/8% increments. Clovis is one of 10 municipalities that will not be made whole with the implementation of all three increments.

The anticipated loss through the end of fiscal year 2017 is $554,000.00 with an anticipated loss for fiscal year 2018 of $553,000 if the 1/8% increment is not implemented. The 1/8% increment will generate approximately $960,000.00 per year.

City Manager approves request on Commission Discussion Item.

ORDINANCE NO. 2087-2017

AN ORDINANCE ADOPTING A MUNICIPAL HOLD HARMLESS GROSS RECEIPTS TAX

BE IT ORDAINED by the governing body, that is the City Commission of the City of Clovis, in the County of Curry and State of New Mexico:

SECTION 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-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 Municipal Local Option Gross Receipts Taxes Act as it now exists or as it may be amended and shall be known as the "municipal 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 municipal 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 municipality to another point outside the municipality.
B. a business located outside the boundaries of a municipality on land owned by that municipality for which a state gross receipts tax distribution is made pursuant to Subsection C of Section 7-1-6.4 NMSA 1978; or
C. direct broadcast satellite services.

SECTION 4. **DEDICATION:** Revenue from the municipal hold harmless gross receipts tax will be used for General Fund expenditures.

SECTION 5. **EFFECTIVE DATE:** The effective date of the municipal 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.

ADOPTED BY THE GOVERNING BODY OF THE CITY OF CLOVIS THIS 22nd day of March, 2017.

THE CITY OF CLOVIS, NEW MEXICO

BY: _____
Mayor

(SEAL)
ATTEST:

_____
City Clerk

Attachment: 2087-2017 Hold Harmless (3105 : Ordinance Number 2087-2017 Hold Harmless)