

**Municipal Hold Harmless Gross Receipts Tax
Adopting a Tax Increment**

DRAFT

ORDINANCE NUMBER _____
ADOPTING A MUNICIPAL HOLD HARMLESS
GROSS RECEIPTS TAX

BE IT ORDAINED BY THE GOVERNING BODY OF
THE CITY OF RIO RANCHO

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” (MHHGRT).

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 MHHGRT 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 MHHGRT will be used for the public safety purpose(s) listed below:

- A. All areas of law enforcement, including but not limited to: enforcement of all local, state and federal laws; for criminal investigation and apprehension; crime prevention; criminal prosecution; maintaining law and order; to provide assistance to victims of crimes; to provide adequate equipment and training

for law enforcement personnel and for any purpose necessary to administer and promote community safety and the operation of the police department.

- B. All areas of emergency and non-emergency fire department and rescue services and administration, including but not limited to: providing protection from and responding to all disasters; for prevention, suppression and extinguishing of all fires; for all inspection activities; for arson and other related investigations; to provide adequate equipment and maintenance; to provide training and education of personnel; to provide response to all emergencies and non-emergencies and for any other purpose that assists and promotes the general health and safety of the community and supports the operation of the fire department.

Section 5. Effective Date. The effective date of the MHHGRT shall be January 1, 2014.

ADOPTED THIS _____ DAY OF _____, 2013.

Thomas E. Swisstack, Mayor

Date

ATTEST:

Steven Ruger, City Clerk
(SEAL)