

RESOLUTION NO. 2010-03

A RESOLUTION TO OPPOSE THE REPEAL OF THE HOLD HARMLESS PROVISIONS OF THE STATE'S GROSS RECEIPTS TAX LAWS

WHEREAS, New Mexico House Bill 625, effective January 1, 2005, removed the statewide gross receipts tax on qualifying food sales and certain medical services; and

WHEREAS, said Bill contained a “hold harmless” provision that provided for a new distribution formula to offset the revenue loss municipalities would incur, and such provision was incorporated into New Mexico Statutes, §7-1-6.46; and

WHEREAS, the State of New Mexico is experiencing a budget shortfall and is considering the repeal of the “hold harmless” provision, which in the absence of other accommodation, will deprive local governments of significant amounts of revenue; and

WHEREAS, as a consequence of such a repeal, the Town of Silver City would suffer a loss to its annual income an amount exceeding \$1,100,000.00; and

WHEREAS, the Town Council of the Town of Silver City finds that such a loss of income will necessitate significant cutbacks in Town services, employees, and dramatically and negatively affect the health, safety and welfare of the Town and its inhabitants;

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Silver City that:

1. The Town of Silver City opposes any legislation which would repeal the hold harmless provisions of §7-1-6.46 without other accommodations which would maintain the gross receipts revenue stream to the Town as provided by current law.
2. That the Town opposes any effort of the State to balance its budget shortfalls by increasing tax burdens upon the Town of Silver City, and other local governments so situated.

PASSED, APPROVED AND ADOPTED this 26th day of January, 2010.

/s/

(Seal)

James R. Marshall, Mayor

Attest:

/s/

Ann L. Mackie, Town Clerk