

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: SCORC DATE TYPED: 03/01/01 HB _____
 SHORT TITLE: Higher Rate of Occupancy Tax SB 763/SCORCS
 ANALYST: Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ 2,000.0	\$ 2,000.0	Recurring	Albuquerque Lodger's Tax

(Parenthesis () Indicate Revenue Decreases)

Relates to HB907

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

This bill proposes a number of provisions that may result in the funding and building of a minor league baseball stadium in Albuquerque.

The principal provision of this bill is a local option increase in lodger's tax for Albuquerque from the current 5 percent to 6.25 percent. Half the increase must be devoted to the same general purposes as the current 5 percent lodgers tax while half the increase may be used for the purpose of acquiring land for, designing, constructing, or renovating a minor league baseball stadium in Albuquerque. The stadium fee revenue portion of the increase in lodger's tax may be used to retire revenue bonds issued for building or renovating the stadium.

The increase may be imposed by ordinance and does not require voter approval.

FISCAL IMPLICATIONS

The Taxation and Revenue Department (TRD) report that FY99 lodger's tax receipts for the city of Albuquerque was approximately \$8.1 million. The proposed 1.25 percent tax increase would generate a little over \$2 million. Half of this revenue (\$1 million) would be available to retire bonds sold to construct a new stadium or renovate the existing stadium. TRD estimates that the revenue available annually could support the issuance of approximately \$17 million in bonds (assuming 5.5 percent for 30 years at a 1-1 coverage ratio). This is about half the amount requested by the mayor's committee for either renovating or building a new stadium.

Senate Bill 763/SCORCS -- Page 2

This bill does not involve the Taxation and Revenue Department (TRD) in the collection or administration of the tax imposed.

TECHNICAL ISSUES

Page 10, line 5 “capitol” should be “capital”.

OTHER SUBSTANTIVE ISSUES

With the imposition of the additional 1.25 percent, the total taxes on lodging in Albuquerque would be 12.0625 percent.

JBE/njw:ar