



(3) 25% of the proceeds shall be used to extinguish debt incurred by a municipality for a metropolitan court facility.

The 25% for the metropolitan court facilities is taken from the current law which allocates 50% to promote tourist related activities.

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment to Senate Bill 1066 moves the repeal date of the Hospitality Fee Act from July 1, 2038 to July 1, 2028. The amendment now extends the repeal date an additional 21 years instead of the original bill extension of 31 years.

Synopsis of Original Bill

Senate Bill 1066 extends the repeal date of the Hospitality Fee Act from July 1, 2013 to July 1, 2038.

**FISCAL IMPLICATIONS**

There is no fiscal impact to the State as a result of this bill. There would be a loss in revenues to the City of Albuquerque after July 1, 2013 if the Hospitality Fee Act is not extended.

**SIGNIFICANT ISSUES**

According to the Municipal League, Albuquerque is the only city imposing this hospitality tax. The City of Albuquerque raises almost \$2,000,000 a year through this tax and they estimate the increasing revenues from this tax are growing at least 10% a year.

This bill is being proposed six years before the expiration date because the City of Albuquerque needs to issue bonds that will extend beyond the current 2013 expiration date.

DW/mt