

## City Hall Blog

# County commissioners agree to tax increase

By Dan McKay / Journal Staff Writer

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Bernalillo County commissioners narrowly agreed late Tuesday to move forward with a tax increase that would raise about \$40 million a year to help balance the county budget and pay for new mental health programs.

The proposal would add a quarter of a percent to the tax shoppers pay when they buy most goods and services, similar to a sales tax. In Albuquerque, the tax rate would climb from 7 percent to 7.25 percent.

Tuesday's action allows the county to publish legal notices required for the tax. Final consideration of the proposal will come next month, and voter approval isn't required.

The tax debate comes as the county prepares to tackle a \$53 million shortfall projected in next year's operating budget.

### Other county action

Also Tuesday, the Bernalillo County Commission:

- Authorized \$537,000 for the purchase of land on south Second Street for construction of an animal shelter. The money comes from the county's voter-approved bond program, not its operating budget.
- Elected Maggie Hart Stebbins to serve as chairwoman for the year. Hart Stebbins is a Democrat from the north campus area of Albuquerque.
- Raised the minimum wage to \$8.65 an hour, an increase of 1.8 percent, from \$8.50 an hour. The raise is based on inflation and would take effect Jan. 26.

It covers unincorporated parts of the county.

The county was supposed to consider the increase before the calendar year started, but it didn't publish a legal notice in time.

It was a party-line vote, Democrats in favor.

County Commissioner Debbie O'Malley, who supported the proposal, said the tax increase won't be enough to spare the county from painful spending cuts.

"It's going to be tough," O'Malley said. "We're going to have to do a great deal of cutting."

Commissioner Wayne Johnson blasted the tax idea. He and fellow Republican Lonnie Talbert opposed the proposal, which passed on a 3-2 party-line vote.

"We need to get control of our spending," Johnson said. "We're all going to have to share a bit in the sacrifice, and it should start up here on this dais."

Democrats Maggie Hart Stebbins and Art De La Cruz joined O'Malley in support of the "notice of intent" for the tax.

The tax is expected to raise about \$40 million a year, though the exact amount depends on economic activity. By enacting the tax, however, the county will also lose about \$11 million in state funding.

The county is due to lose that revenue anyway, but it would be phased out over many years if the county doesn't raise taxes.

The measure approved Tuesday is broken into two parts:

- Half of the tax increase, or one-eighth of a percent, would be dedicated to new mental and behavioral health programs. Voters expressed support for such a tax in November.

“I feel an obligation to respect the voters’ wishes that we do this,” Hart Stebbins said. “... It’s finally evident to the general public that we do not have adequate behavioral health services.”

A task force has recommended creation of a new triage center where police could take some people suffering from a mental-health crisis, rather than to jail or an emergency room.

- The other half of the tax increase would go toward general county operations and helping balance the budget.

Johnson and Talbert repeatedly pointed out that the proposed tax would raise more revenue than the county actually will lose in state funding.

The state Legislature gave the county authority to raise taxes – up to three-eighths of a percent – as part of the deal that phases out the state funding.

Seven counties have already approved the full three-eighths of a percent, and two others have approved a quarter of a percent, according to Bernalillo County.

Hart Stebbins said state lawmakers have said they may take away the extra taxing authority, so it’s important to move quickly.

O’Malley agreed.

“We have a window of opportunity,” she said. “I think we need to take advantage of it.”

If approved next month, the tax would go into effect July 1.

County Manager Tom Zdunek recommended the county impose the full three-eighths of a percent, enough to raise more than \$60 million. Without the money, he said, the county would consider postponing the replacement of vehicles, the purchase of new software and more painful cuts.

“I will look at everything,” he said.

The county administration told commissioners that much of the county’s growth in spending in recent years has been in public safety – a hiring spree for corrections officers to improve safety inside the jail, new sheriff’s deputies to patrol the streets and programs to relieve jail overcrowding.

Investment losses and the sluggish economy are also factors, officials said.

The gross-receipts tax, if enacted, would be on top of the rate imposed by Albuquerque city government.

Outside city limits, where there is no municipal tax, the gross-receipts tax rate would climb from 6.0625 percent to 6.3125 percent.

An earlier version of this article misstated the date the new minimum wage takes effect. It’s Jan. 26, not Feb. 16.

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