

## Gallup Council approves GRT investment ordinance

Written by By Bernie Dotson Sun Correspondent  
Friday, 16 June 2017 03:42

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The Gallup City Council unanimously passed a Gross Receipts Tax Investment Policy ordinance June 13 at the regular city meeting.

The item was introduced by City Attorney George Kozeliski and was not met with opposition. The ordinance is solely used in “Home Rule” municipalities to permit developers to help pay for city infrastructure on large projects by recouping costs by offsetting gross receipts tax over a period of time.

“This allows for private parties to put in infrastructure such as water lines, sewer lines, power, streets and sidewalks and recoup those costs from the GRT they will generate at the location they are extending the infrastructure to,” City Attorney George Kozeliski said.

“It helps with economic development because the city cannot afford to put it in, although we are allowed by law to do it, and the developer cannot afford to put it in if they don’t recoup the costs. This allows the developer to recover its costs over time out of the GRT that they generate.”

Kozeliski noted that the matter is a proven economic development tool used by municipalities such as Rio Rancho and Alamogordo.

“The attorney general of New Mexico put out an opinion that “Home Rule” cities like Gallup can do this and so far two have adopted it. We are the third to do it,” Kozeliski said.

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Kozeliski noted that the GRIP ordinance matter simply sets up the policy. He said individual developers can come to the city and request to do this, saying a separate contract will be drawn up on each development as to what the costs will be and what percentage of GRT they can recover, up to 75 percent of what they pay as the city's share, Kozeliski said.

***By Bernie Dotson***

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