



THE TAOS NEWS

In 2007 Voted Best Weekly Newspaper in the U.S. by the National Newspaper Assoc.

Hearing on annexation suit Dec. 18

By J.R. Logan

The Taos News, 12/4/2013

Attorneys for the town and county are scheduled to square off this month over the controversial annexation of the Taos Regional Airport.

A court hearing in Taos is set for Dec. 18, and a ruling in the case could affect progress on the town-sponsored, multi-million dollar airport expansion project.

In March, the town council voted to annex the airport and six miles of highway right of way despite objections from the county.

The town said it needed to annex the airport to capture gross receipts taxes generated by a construction project. Most of the \$24 million expansion will be funded with a federal grant, but the town must come up with a \$1.2 million match to receive the money. The town hopes to cover its match with tax revenue from the initial phase of the construction project.

The county has resisted the annexation idea, claiming it would give the town a toehold to annex additional businesses in the El Prado corridor. Before the annexation, the county offered to turn over all tax revenue generated by the expansion project, but Taos Town Manager Oscar Rodriguez had concerns about the "uncertainty" of the offer and said the town needed to move forward on the project quickly.

The county followed through with a promise to fight the annexation in court and filed two lawsuits in April challenging the town. The case has since been working its way through district court in Taos before Judge Jeff McElroy, who denied an early motion by the town to have the case thrown out.

In a Nov. 12 motion asking the judge to rule in its favor, county attorney Robert Malone argued, among other things, that the county will receive less gross receipts tax revenue if the airport and highway right of way are annexed. Malone also pointed to what he considered procedural errors committed by the town.

In a Nov. 27 response, town attorney Brian James countered that Malone's motion "failed to plead matters sufficient for the town to formulate a response."

The county's motion is scheduled to be heard Dec. 18 at 9 a.m. in Taos.

Despite the lawsuit, the town is now collecting tax revenue generated at the airport and is moving forward with the airport project.

If the court rules in the county's favor and the annexation is voided, Deputy Secretary of the Department of Revenue and Taxation John Monforte said his agency would follow the court's order but that transferring tax revenues retroactively "would not be a simple process in this instance."