



THE TAOS NEWS

Best U.S. Weekly Paper- NNA 2007, 2008, 2010
Inland Press Nation's Best Weekly Newspaper 2009

Town council seeks financial wiggle room

By J.R. Logan

The Taos News, 8/27/2015

Faced with decaying infrastructure and a local economy that's still sputtering, officials with the town of Taos hope to free up some funds by restructuring part of its \$11 million in debt.

And while their options are limited, a new report suggests there is hope.

The report, prepared by RBC Capital Markets and commissioned by the town, reviewed the municipality's existing tax revenues and debts, and pointed out places officials could reduce loan costs or increase revenue.

Of the various funds reviewed, the report notes that restructuring part of the \$3.5 million in utility-related debt could end up simplifying its loan payments and saving the town hundreds of thousands of dollars over the next several years.

At a meeting Tuesday (Aug. 25), town officials appeared eager to explore that option, especially in light of the possibility of interest rates increasing in the coming months.

The report also noted the town could conceivably increase its gross receipts tax by 0.25 percent before it maxes out its legal municipal GRT taxing authority. That tax can be raised without an election, and the report predicts such an increase would generate another \$757,000.

However, such an increase was passed by the town council in 2010, only to be quickly rescinded following significant outcry from residents.

The town's GRT is currently 8.1875 percent, which is among the highest in the state.