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SENATE BILL 248

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO TAXATION; AMENDING THE LOCAL HOSPITAL GROSS RECEIPTS TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-20C-3 NMSA 1978 (being Laws 1991, Chapter 176, Section 3, as amended) is amended to read:

"7-20C-3. LOCAL HOSPITAL GROSS RECEIPTS TAX-- AUTHORITY TO IMPOSE-- ORDINANCE REQUIREMENTS. --

A. A majority of the members elected to the governing body of a county may enact an ordinance imposing an excise tax on any person engaging in business in the county for the privilege of engaging in business. This tax is to be referred to as the "local hospital gross receipts tax". The rate of the tax shall be:

(1) one-half of one percent of the gross

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1 receipts of the person engaging in business if the tax is
2 initially imposed before January 1, 1993;

3 (2) one-eighth of one percent of the gross
4 receipts of the person engaging in business if the tax is
5 initially imposed after January 1, 1993; and

6 (3) a rate not to exceed one-half of one
7 percent of the gross receipts of the person engaging in
8 business if the tax is imposed after July 1, 1996 in a county
9 described in Paragraph (4) or (6) of Subsection A of Section
10 7-20C-2 NMSA 1978; provided the tax may be imposed in any
11 number of increments of one-eighth percent not to exceed an
12 aggregate rate of one-half of one percent of gross receipts.

13 B. The local hospital gross receipts tax imposed
14 initially before January 1, 1993 shall be imposed only once
15 for the period necessary for payment of the principal and
16 interest on revenue bonds issued to accomplish the purpose for
17 which the revenue is dedicated, but the period shall not
18 exceed ten years from the effective date of the ordinance
19 imposing the tax. The local hospital gross receipts tax
20 imposed after July 1, 1996 in a county described in Paragraph
21 (4) of Subsection A of Section 7-20C-2 NMSA 1978 shall be
22 imposed only once for the period necessary for payment of the
23 principal and interest on revenue bonds issued to accomplish
24 the purpose for which the revenue is dedicated, but the period
25 shall not exceed [~~twenty~~] forty years from the effective date

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1 of the ordinance imposing the tax.

2 C. No local hospital gross receipts tax authorized
3 in Subsection A of this section shall be imposed initially
4 after January 1, 1993 unless:

5 (1) in a county described in Paragraph (2) of
6 Subsection A of Section 7-20C-2 NMSA 1978, the voters of the
7 county have approved the issuance of general obligation bonds
8 of the county sufficient to pay at least one-half of the costs
9 of the county hospital facility or county twenty-four-hour
10 urgent care or emergency facility for which the local hospital
11 gross receipts tax revenues are dedicated, including the costs
12 of all acquisition, renovation and equipping of the facility;
13 or

14 (2) in a county described in Paragraph (3) or
15 (5) of Subsection A of Section 7-20C-2 NMSA 1978, the county
16 will not have in effect at the same time a county hospital
17 emergency gross receipts tax and the voters of the county have
18 approved the imposition of a property tax at a rate of one
19 dollar (\$1.00) on each one thousand dollars (\$1,000) of
20 taxable value of property in the county for the purpose of
21 operation and maintenance of a hospital owned by the county
22 and operated and maintained either by the county or by another
23 party pursuant to a lease with the county.

24 D. The governing body of a county enacting an
25 ordinance imposing a local hospital gross receipts tax shall

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1 dedicate the revenue from the tax as provided in this
2 subsection. In any election held, the ballot shall clearly
3 state the purpose to which the revenue will be dedicated and
4 the revenue shall be used by the county for that purpose. The
5 revenues shall be dedicated as follows:

6 (1) prior to January 1, 1993, the governing
7 body, at the time of enacting an ordinance imposing the rate
8 of the tax authorized in Subsection A of this section, shall
9 dedicate the revenue for acquisition of land for and the
10 design, construction, equipping and furnishing of a county
11 hospital facility to be operated by the county or operated and
12 maintained by another party pursuant to a lease with the
13 county;

14 (2) if the governing body of a county
15 described in Paragraph (2), (3) or (5) of Subsection A of
16 Section 7-20C-2 NMSA 1978 is enacting the ordinance imposing
17 the tax after July 1, 1993, the governing body shall dedicate
18 the revenue for acquisition, renovation and equipping of a
19 building for a county hospital facility or a county
20 twenty-four-hour urgent care or emergency facility or for
21 operation and maintenance of that facility, whether operated
22 and maintained by the county or by another party pursuant to a
23 lease or management contract with the county, for the period
24 of time the tax is imposed not to exceed ten years;

25 (3) if the governing body of a county

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1 described in Paragraph (4) of Subsection A of Section 7-20C-2
2 NMSA 1978 is enacting the ordinance imposing the tax after
3 July 1, 1995, the governing body shall dedicate the revenue
4 for acquisition of land or buildings for and the renovation,
5 design, construction, equipping or furnishing of a county
6 hospital facility or health clinic to be operated by the
7 county or operated and maintained by another party pursuant to
8 a health care facilities contract, lease or management
9 contract with the county; and

10 (4) if the governing body of a county
11 described in Paragraph (6) of Subsection A of Section 7-20C-2
12 NMSA 1978 is enacting the ordinance imposing the tax after
13 July 1, 1997, the governing body shall dedicate the revenue
14 for either or a combination of the following:

15 (a) acquisition of land or buildings
16 for and the design, construction, renovation, equipping or
17 furnishing of a hospital facility or health clinic owned by
18 the county or a hospital or health clinic with whom the county
19 has entered into a health care facilities contract; or

20 (b) operations and maintenance of a
21 hospital or health clinic owned by the county or a hospital or
22 health clinic with whom the county has entered into a health
23 care facilities contract.

24 E. The ordinance shall not go into effect until
25 after an election is held and a simple majority of the

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1 qualified electors of the county voting in the election votes
2 in favor of imposing the local hospital gross receipts tax
3 and, in the case of a county described in Paragraph (3) or (5)
4 of Subsection A of Section 7-20C-2 NMSA 1978, also votes in
5 favor of a property tax at a rate of one dollar (\$1.00) for
6 each one thousand dollars (\$1,000) of taxable value of
7 property in the county. The governing body shall adopt a
8 resolution calling for an election within seventy-five days of
9 the date the ordinance is adopted on the question of imposing
10 the tax. The question may be submitted to the qualified
11 electors and voted [~~upon~~] on as a separate question in a
12 general election or in any special election called for that
13 purpose by the governing body. A special election [~~upon~~] on
14 the question shall be called, held, conducted and canvassed in
15 substantially the same manner as provided by law for general
16 elections. If the question of imposing a local hospital gross
17 receipts tax fails or if the question of imposing both a local
18 hospital gross receipts tax and a property tax fails, the
19 governing body shall not again propose a local hospital gross
20 receipts tax for a period of one year after the election. A
21 certified copy of any ordinance imposing a local hospital
22 gross receipts tax shall be mailed to the department within
23 five days after the ordinance is adopted in [~~any~~] an election
24 called for that purpose.

25 F. [~~Any~~] An ordinance enacted pursuant to the

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1 provisions of Subsection A of this section shall include an
2 effective date of either July 1 or January 1, whichever date
3 occurs first after the expiration of at least three months
4 from the date the ordinance is approved by the electorate.

5 G. [~~Any~~] An ordinance repealed under the
6 provisions of the Local Hospital Gross Receipts Tax Act shall
7 be repealed effective on either July 1 or January 1.

8 H. As used in this section, "taxable value of
9 property" means the sum of:

10 (1) the net taxable value, as that term is
11 defined in the Property Tax Code, of property subject to
12 taxation under the Property Tax Code;

13 (2) the assessed value of products, as those
14 terms are defined in the Oil and Gas Ad Valorem Production Tax
15 Act;

16 (3) the assessed value of equipment, as those
17 terms are defined in the Oil and Gas Production Equipment Ad
18 Valorem Tax Act; and

19 (4) the taxable value of copper mineral
20 property, as those terms are defined in the Copper Production
21 Ad Valorem Tax Act, subject to taxation under the Copper
22 Production Ad Valorem Tax Act. "

23 Section 2. EFFECTIVE DATE. -- The effective date of the
24 provisions of this act is July 1, 2002.