

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 9

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SPECIAL SESSION, 2008

INTRODUCED BY

William "Bill" R. Rehm

AN ACT

RELATING TO TAXATION; IMPOSING A HEALTH CARE SURTAX ON GROSS RECEIPTS FOR DISTRIBUTION TO THE UNIVERSITY OF NEW MEXICO HOSPITALS PRIMARY CARE FUND FOR THE UNIVERSITY OF NEW MEXICO HOSPITALS; TERMINATING THE AUTHORITY OF A COUNTY THAT RECEIVES DISTRIBUTIONS OF THE HEALTH CARE SURTAX TO IMPOSE A PROPERTY TAX LEVY FOR COUNTY HOSPITAL FUNDING; CREATING A FUND; MAKING AN APPROPRIATION.

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

Section 1. A new section of the Tax Administration Act is enacted to read:

"[NEW MATERIAL] DISTRIBUTION--UNIVERSITY OF NEW MEXICO--HEALTH CARE SERVICES.--A distribution pursuant to Section 7-1-6.1 NMSA 1978 of the net receipts attributable to the health care surtax shall be made as follows:

.173767.1

underscored material = new
~~[bracketed material]~~ = delete

underscored material = new
[bracketed material] = delete

1 A. ninety-nine percent of the amount shall be
2 distributed to the university of New Mexico hospitals primary
3 care fund for the provision of health care services at the
4 university of New Mexico hospitals; and

5 B. one percent of the amount shall be distributed
6 to the Bernalillo county commission to oversee the expenditure
7 of funds distributed to the board of regents of the university
8 of New Mexico from the university of New Mexico hospitals
9 primary care fund and to identify persons eligible for
10 available health insurance plans and enroll them in available
11 insurance plans."

12 Section 2. [NEW MATERIAL] UNIVERSITY OF NEW MEXICO
13 HOSPITALS PRIMARY CARE FUND CREATED--USE--APPROPRIATION BY THE
14 LEGISLATURE.--

15 A. There is created in the state treasury the
16 "university of New Mexico hospitals primary care fund". The
17 fund shall be invested by the state treasurer as other state
18 funds are invested. Income earned from investment of the fund
19 shall be credited to the university of New Mexico hospitals
20 primary care fund. The secretary of human services shall take
21 all steps necessary to obtain matching funds from the federal
22 government to match funds distributed to the university of New
23 Mexico hospitals primary care fund. The human services
24 department shall provide for budgeting and accounting of
25 payments to the fund. The fund shall not revert in any fiscal

.173767.1

underscored material = new
[bracketed material] = delete

1 year.

2 B. Money in the university of New Mexico hospitals
3 primary care fund is subject to appropriation by the
4 legislature to support primary health care and medicaid
5 programs at the university of New Mexico hospitals.

6 C. In the event federal matching funds for the
7 university of New Mexico hospitals primary care fund are not
8 received by New Mexico for any eighteen-month period, the
9 unencumbered balance remaining in the university of New Mexico
10 hospitals primary care fund at the end of the fiscal year
11 following the end of that eighteen-month period shall be paid
12 within a reasonable time to the board of regents of the
13 university of New Mexico for the provision of health care
14 services at the university of New Mexico hospitals.

15 Section 3. A new section of the Gross Receipts and
16 Compensating Tax Act is enacted to read:

17 "[NEW MATERIAL] GROSS RECEIPTS--HEALTH CARE SURTAX.--The
18 gross receipts tax shall be increased by a surtax, hereby
19 imposed. The surtax is equal to one-sixteenth of one percent
20 of gross receipts. The surtax may be referred to as the
21 "health care surtax". The department shall administer and
22 enforce collection of the health care surtax pursuant to the
23 provisions of the Tax Administration Act and the Gross Receipts
24 and Compensating Tax Act in the same manner as the gross
25 receipts tax."

.173767.1

underscoring material = new
[bracketed material] = delete

1 Section 4. Section 4-48B-12 NMSA 1978 (being Laws 1981,
2 Chapter 83, Section 12, as amended) is amended to read:

3 "4-48B-12. TAX LEVIES AUTHORIZED.--

4 A. Except as provided in Subsection F of this
5 section, the county commissioners are authorized to impose a
6 mill levy and collect annual assessments against the net
7 taxable value of the property in a county to pay the cost of
8 operating and maintaining county hospitals or to pay to
9 contracting hospitals in accordance with a health care
10 facilities contract and in class A counties to pay for the
11 county's transfer to the county-supported medicaid fund
12 pursuant to Section 27-10-4 NMSA 1978 as follows:

13 (1) in class A counties as defined in Section
14 4-44-1 NMSA 1978, the mill levy shall not exceed a rate of six
15 dollars fifty cents (\$6.50), or any lower maximum amount
16 required by operation of the rate limitation provisions of
17 Section 7-37-7.1 NMSA 1978 upon a mill levy imposed pursuant to
18 this paragraph, on each one thousand dollars (\$1,000) of net
19 taxable value of property allocated to the county; however, if
20 the county uses any portion, not to exceed one dollar fifty
21 cents (\$1.50), of the rate authorized by this paragraph to meet
22 the requirement of Section 27-10-4 NMSA 1978, the provisions of
23 Section 7-37-7.1 NMSA 1978 do not apply to the portion of the
24 rate necessary to produce the revenues required, provided that
25 the portion of the rate does not exceed one dollar fifty cents
 .173767.1

underscoring material = new
[bracketed material] = delete

1 (\$1.50); and

2 (2) in other counties, the mill levy shall not
3 exceed four dollars twenty-five cents (\$4.25), or any lower
4 maximum amount required by operation of the rate limitation
5 provisions of Section 7-37-7.1 NMSA 1978 upon a mill levy
6 imposed pursuant to this paragraph, on each one thousand
7 dollars (\$1,000) of net taxable value of property allocated to
8 the county.

9 B. The mill levies provided in Paragraphs (1) and
10 (2) of Subsection A of this section shall be made at the
11 direction of the county commissioners, but only to the extent
12 that the county commissioners deem it necessary to operate and
13 maintain county hospitals, to pay the amounts required in the
14 performance of any health care facilities contracts made
15 pursuant to the Hospital Funding Act and to provide for a class
16 A county's transfer to the county-supported medicaid fund
17 pursuant to Section 27-10-4 NMSA 1978.

18 C. In the event that the mill levy provided for in
19 Paragraph (1) of Subsection A of this section is not authorized
20 by the electorate or the resulting mill levy proceeds are not
21 remitted to the entity operating the hospital within a
22 reasonable time period, any lease for operation of the hospital
23 between a county and a state educational institution named in
24 Article 12, Section 11 of the constitution of New Mexico may,
25 at the option of the state educational institution, be

.173767.1

underscored material = new
~~[bracketed material] = delete~~

1 terminated immediately. Except as provided in Subsection D of
2 this section, in the event that the mill levy provided for in
3 Paragraph (1) of Subsection A of this section is authorized, an
4 amount not less than the amount that would be produced by a
5 mill levy at the rate of four dollars (\$4.00), or any lower
6 amount that would be required by operation of the rate
7 limitation provisions of Section 7-37-7.1 NMSA 1978 upon this
8 rate, on each one thousand dollars (\$1,000) of net taxable
9 value of property allocated to the county shall be provided
10 from the proceeds of the mill levy to the state educational
11 institution operating the hospital for hospital purposes unless
12 the institution determines that the amount is not necessary.

13 D. A class A county imposing the mill levy provided
14 for in Paragraph (1) of Subsection A of this section may enter
15 into a mutual agreement with a state educational institution
16 named in Article 12, Section 11 of the constitution of New
17 Mexico operating the hospital permitting the transfer to the
18 county-supported medicaid fund by the county pursuant to
19 Section 27-10-4 NMSA 1978 of not to exceed the amount that
20 would be produced by a mill levy at a rate of one dollar fifty
21 cents (\$1.50) applied to the net taxable value of property
22 allocated to the county for the prior property tax year and
23 also not to exceed the amount that would be produced by
24 imposition of the county health care gross receipts tax.

25 E. The distribution of the mill levy authorized at
.173767.1

underscored material = new
[bracketed material] = delete

1 the rates specified in Subsection A of this section shall be
2 made to county and contracting hospitals as authorized in the
3 Hospital Funding Act.

4 F. A mill levy authorized by this section shall not
5 be imposed or take effect on or after January 1, 2010 in a
6 class A county having a population of more than five hundred
7 thousand persons according to the most recent federal decennial
8 census that receives distributions of the health care surtax.
9 A mill levy imposed and in effect prior to January 1, 2010 in
10 such a county shall cease to have effect after December 31,
11 2009; provided, however, that amounts calculated as owed with
12 respect to the 2009 property tax year shall remain in effect
13 and be collected."

14 Section 5. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is January 1, 2010.