

HOUSE BILL 323

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

William "Bill" R. Rehm

AN ACT

RELATING TO TAXATION; REDUCING THE PROPERTY TAX LEVY FOR CLASS
A COUNTY HOSPITAL FUNDING; PROVIDING FOR IMPOSITION OF A
PROPERTY TAX BY A CLASS A COUNTY FOR TRANSFER TO THE SAFETY NET
CARE POOL FUND.

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

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

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

A. The county commissioners are authorized to
impose a mill levy and collect annual assessments against the
net taxable value of the property in a county to pay the cost
of operating and maintaining county hospitals or to pay to
contracting hospitals in accordance with a health care
facilities contract and in class A counties to pay for the

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1 county's transfer to the county-supported medicaid fund
2 pursuant to Section 27-10-4 NMSA 1978 as [~~follows:—(1) in~~]
3 provided in this section.

4 B. The county commissioners of a class A [counties
5 ~~as defined in Section 4-44-1 NMSA 1978, the] county may impose,
6 and after January 1, 2017 may collect, a mill levy [shall] not
7 to exceed a rate of [six dollars fifty cents (\$6.50)] one
8 dollar (\$1.00), or any lower maximum amount required by
9 operation of the rate limitation provisions of Section 7-37-7.1
10 NMSA 1978 upon a mill levy imposed pursuant to this paragraph,
11 on each one thousand dollars (\$1,000) of net taxable value of
12 property allocated to the county; however, if the county uses
13 any portion, not to exceed [one dollar fifty cents (\$1.50)]
14 twenty-three cents (\$.23), of the rate authorized by this
15 [paragraph] subsection to meet the requirement of Section
16 27-10-4 NMSA 1978, the provisions of Section 7-37-7.1 NMSA 1978
17 do not apply to the portion of the rate necessary to produce
18 the revenues required; provided that the portion of the rate
19 does not exceed [one dollar fifty cents (\$1.50)]; and
20 (2) ~~in other counties, the]~~ twenty-three cents
21 (\$.23).~~

22 C. The county commissioners of a county other than
23 a class A county may impose a mill levy [shall] not to exceed
24 four dollars twenty-five cents (\$4.25), or any lower maximum
25 amount required by operation of the rate limitation provisions

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1 of Section 7-37-7.1 NMSA 1978 upon a mill levy imposed pursuant
2 to this ~~[paragraph]~~ subsection, on each one thousand dollars
3 (\$1,000) of net taxable value of property allocated to the
4 county.

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

14 ~~[G.]~~ E. In the event that the mill levy provided
15 for in ~~[Paragraph (1) of]~~ Subsection ~~[A]~~ B of this section is
16 not authorized by the electorate or the resulting mill levy
17 proceeds are not remitted to the entity operating the hospital
18 within a reasonable time period, any lease for operation of the
19 hospital between a county and a state educational institution
20 named in Article 12, Section 11 of the constitution of New
21 Mexico may, at the option of the state educational institution,
22 be terminated immediately. Except as provided in Subsection
23 ~~[D]~~ F of this section, in the event that the mill levy provided
24 for in ~~[Paragraph (1) of]~~ Subsection ~~[A]~~ B of this section is
25 authorized, an amount not less than the amount that would be

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1 produced by a mill levy at the rate of [~~four dollars (\$4.00)~~]
2 sixty-one cents (\$.61), or any lower amount that would be
3 required by operation of the rate limitation provisions of
4 Section 7-37-7.1 NMSA 1978 upon this rate, on each one thousand
5 dollars (\$1,000) of net taxable value of property allocated to
6 the county shall be provided from the proceeds of the mill levy
7 to the state educational institution operating the hospital for
8 hospital purposes unless the institution determines that the
9 amount is not necessary.

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

23 [~~E-~~] G. The distribution of the mill levy
24 authorized at the rates specified in Subsection [~~A~~] B or C of
25 this section shall be made to county and contracting hospitals

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1 as authorized in the Hospital Funding Act."

2 SECTION 2. Section 4-48B-15 NMSA 1978 (being Laws 1953,
3 Chapter 174, Section 2, as amended) is amended to read:

4 "4-48B-15. ELECTION ON SPECIAL LEVY.--

5 A. In the event the county commissioners of a
6 county, other than a class A county, desire to provide the mill
7 levy authorized in [~~Paragraph (2) of~~] Subsection [~~A~~] C of
8 Section 4-48B-12 NMSA 1978, the county commissioners shall
9 submit to the qualified electors of the county the question of
10 levying those taxes not to exceed four dollars twenty-five
11 cents (\$4.25) on each one thousand dollars (\$1,000) of net
12 taxable value of property allocated to the county for a period
13 of time not less than four years nor more than eight years.

14 B. In the event the county commissioners of a class
15 A county desire to provide the mill levy authorized in
16 [~~Paragraph (1) of~~] Subsection [~~A~~] B of Section 4-48B-12 NMSA
17 1978, the county commissioners shall submit to the qualified
18 electors of the county the question of levying those taxes not
19 to exceed [~~six dollars fifty cents (\$6.50)~~] one dollar (\$1.00)
20 on each one thousand dollars (\$1,000) of net taxable value of
21 property allocated to the county for a period of time of not
22 less than four years nor more than eight years.

23 C. The question may be submitted to the electors
24 and voted upon as a separate question at any general election
25 or at any special election called for that purpose by the

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1 county commissioners. The election upon the question of a mill
2 levy shall be called, held, conducted and canvassed in
3 substantially the same manner as now or hereafter may be
4 provided by law for general elections.

5 D. In the event the mill levy submitted under
6 Subsection A or B of this section is voted upon favorably by
7 the electors of the county, the mill levy shall become
8 effective and be made for the ensuing fiscal year and those
9 future years, not less than three nor more than seven, as
10 stated in the question voted upon; provided that the question
11 of continuing the mill levy shall thereafter be submitted to
12 the electors at the general election immediately prior to the
13 expiration of the period of assessment previously approved.
14 The county commissioners shall decrease the rate of any mill
15 levy imposed under the Hospital Funding Act if required by
16 operation of the rate limitation provisions of Section 7-37-7.1
17 NMSA 1978. Subject to the provisions of Subsection ~~[D]~~ F of
18 Section 4-48B-12 NMSA 1978, the county commissioners may direct
19 that the mill levy be decreased or not be made for any year if,
20 in their judgment, sufficient funds for operation and
21 maintenance of the hospital and transfer to the county-
22 supported medicaid fund, if applicable, are available or will
23 be obtained from other sources and if, relative to a county
24 hospital operated by a state educational institution named in
25 Article 12, Section 11 of the constitution of New Mexico, a

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1 decision to decrease the mill levy is agreed to by the state
2 educational institution.

3 E. In the event that the mill levy approved by the
4 electors is less than the maximum mill levy authorized for the
5 county by Subsection [A] B or C of Section 4-48B-12 NMSA 1978
6 and the county commissioners desire to increase the amount of
7 the approved mill levy, the county commissioners shall submit,
8 in accordance with Subsection C of this section, to the
9 qualified electors of the county the questions of levying those
10 additional taxes for a period of time consistent with the
11 expiration of the mill levy previously approved; provided that
12 the additional taxes, when added to the mill levy previously
13 approved, may not exceed the mill levy maximum for the county
14 provided in Subsection [A] B or C of Section 4-48B-12 NMSA
15 1978. In the event that the mill levy increase is voted upon
16 favorably by the electors of the county, the increase shall
17 become effective for the years stated in the question voted
18 upon. Nothing in this subsection shall be construed as
19 requiring an election to restore the mill levy to an amount no
20 higher than the mill levy approved by the electors after a
21 reduction in the mill levy made pursuant to Subsection D of
22 this section."

23 SECTION 3. A new section of the Indigent Hospital and
24 County Health Care Act is enacted to read:

25 "[NEW MATERIAL] TAX LEVIES AUTHORIZATION.--

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1 A. A board of county commissioners of a class A
2 county may adopt a resolution to submit to the qualified
3 electors of the county the question of whether a property tax
4 at a rate not to exceed the rate specified in the resolution
5 should be imposed on or after January 1, 2017 upon the net
6 taxable value of property allocated to the county under the
7 Property Tax Code for the purpose of making transfers to the
8 safety net care pool fund for payments to qualifying hospitals.

9 B. The resolution shall specify the rate of the
10 proposed tax, which shall not exceed one dollar (\$1.00) on each
11 one thousand dollars (\$1,000) of net taxable value of property
12 allocated to the county under the Property Tax Code and shall:

13 (1) specify the date of the election at which
14 the question of imposition of the tax to the qualified electors
15 of the county shall be held, which may be a general election or
16 a special election called for that purpose; and

17 (2) limit the imposition of the proposed tax
18 to no more than eight years.

19 C. The question shall be voted upon as a separate
20 question and shall be called, conducted and canvassed in
21 substantially the same manner as provided by law for general
22 elections. Upon certification, copies of the election shall be
23 mailed immediately to the department of finance and
24 administration and the taxation and revenue department.

25 D. As used in this section, "class A county" means

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1 a county with a population of greater than six hundred seventy
2 thousand according to the most recent federal decennial census
3 and with a county hospital operated and maintained pursuant to
4 a lease or operating agreement with a state educational
5 institution named in Article 12, Section 11 of the constitution
6 of New Mexico.

7 E. If a county uses any portion, not to exceed
8 twenty-three cents (\$.23), of the rate authorized by this
9 section to meet the requirements of Section 27-10-4 NMSA 1978,
10 the provisions of Section 7-37-7.1 NMSA 1978 do not apply to
11 the portion of the rate necessary to produce the revenues
12 required, provided that the portion of the rate does not exceed
13 twenty-three cents (\$.23)."

14 SECTION 4. Section 27-5-7 NMSA 1978 (being Laws 1965,
15 Chapter 234, Section 7, as amended) is amended to read:

16 "27-5-7. HEALTH CARE ASSISTANCE FUND.--

17 A. There is created in the county treasury of each
18 county a "health care assistance fund".

19 B. Collections under the levy made pursuant to [~~the~~
20 ~~Indigent Hospital and County Health Care Act~~] Section 27-5-9
21 NMSA 1978 and all payments shall be placed into the fund, and
22 the amount placed in the fund shall be budgeted and expended
23 only for the purposes specified in the Indigent Hospital and
24 County Health Care Act, by warrant upon vouchers approved by
25 the county. Payments for indigent hospitalizations shall not

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1 be made from any other county fund.

2 C. The fund shall be audited in the manner that
3 other state and county funds are audited, and all records of
4 payments and verified statements of qualification upon which
5 payments were made from the fund shall be open to the public.

6 D. Any balance remaining in the fund at the end of
7 the fiscal year shall carry over into the ensuing year, and
8 that balance shall be taken into consideration in the
9 determination of the ensuing year's budget and certification of
10 need for purposes of making a tax levy.

11 E. Money may be transferred to the fund from other
12 sources, but no transfers may be made from the fund for any
13 purpose other than those specified in the Indigent Hospital and
14 County Health Care Act."