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HOUSE BILL 431

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Joseph Cervantes

AN ACT

RELATING TO LOCAL GOVERNMENTS; RESTRICTING THE USE OF PROCEEDS FROM THE SALE OR LEASE OF CERTAIN HOSPITALS; DECLARING AN EMERGENCY.

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

Section 1. PROCEEDS FROM THE SALE OR LEASE OF PUBLIC HOSPITALS--APPROVAL OF SECRETARY OF HEALTH.--

A. The proceeds from the sale or lease of a municipal hospital, a county hospital or a joint county-municipal hospital shall be only expended for the following purposes:

(1) payment of the debt service on revenue bonds issued to finance the acquisition, construction, renovation or operation of the hospital;

(2) payment of other obligations incurred from

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1 the operation of the hospital;

2 (3) payment of the debt service on county
3 general obligation bonds issued for the acquisition,
4 construction or renovation of the hospital; and

5 (4) after fulfilling all obligations specified
6 in Paragraphs (1) through (3) of this subsection, the proceeds
7 may be expended only in furtherance of the original charitable
8 mission of the hospital, including:

9 (a) expenditures for the care of sick
10 and indigent persons; and

11 (b) other expenditures that will be
12 applied directly to health care in the community served by the
13 hospital.

14 B. No municipality or county shall enter into an
15 agreement for the sale or lease of a municipal hospital, a
16 county hospital or a joint county-municipal hospital unless the
17 secretary of health has approved a plan for expending proceeds
18 pursuant to Paragraph (4) of Subsection A of this section;
19 provided that, if the secretary does not approve a plan within
20 sixty days after submission of the plan for approval, the plan
21 shall be deemed to be approved.

22 C. The provisions of this section apply to proceeds
23 received by all counties and all municipalities, including home
24 rule municipalities.

25 Section 2. EMERGENCY.--It is necessary for the public

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1 peace, health and safety that this act take effect immediately.

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