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SENATE BILL 417

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Joseph A. Fidel

AN ACT

RELATING TO TAXATION; PROVIDING FOR A PROPERTY TAX EXEMPTION
FOR CERTAIN HEALTH-RELATED EQUIPMENT.

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

Section 1. Section 7-36-3 NMSA 1978 (being Laws 1975,
Chapter 218, Section 1, as amended) is amended to read:

"7-36-3. INDUSTRIAL REVENUE BOND, POLLUTION CONTROL BOND
AND ECONOMIC DEVELOPMENT BOND PROJECT PROPERTY--HEALTH-RELATED
EQUIPMENT--TAX STATUS.--

A. Property interests of a lessee in project
property held under a lease from a county or a municipality
under authority of an industrial revenue bond or pollution
control revenue bond act or the Statewide Economic Development
Finance Act are exempt from property taxation for as long as
there is an outstanding bonded indebtedness under the terms of

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1 the revenue bonds issued for the acquisition of the project
2 property, but in no event for a period of more than thirty
3 years from the date of execution of the first lease of the
4 project to the lessee by the county or municipality.

5 B. Property interests of a person, other than a
6 public utility, arising out of the purchase of a project
7 authorized by the Industrial Revenue Bond Act, the County
8 Industrial Revenue Bond Act, the Pollution Control Revenue Bond
9 Act or the Statewide Economic Development Finance Act are
10 exempt from property taxation for as long as the project
11 purchaser remains liable to the project seller for any part of
12 the purchase price, but not to exceed thirty years from the
13 date of execution of the sale agreement.

14 C. Property interests of a participating health
15 facility in health-related equipment purchased, acquired,
16 leased, financed or refinanced with the proceeds of bonds
17 issued under the Hospital Equipment Loan Act are exempt from
18 property taxation for as long as the participating health
19 facility remains liable for any amount under any lease, loan or
20 other agreement securing the bonds, but not to exceed thirty
21 years from the date the bonds were issued for the health-
22 related equipment.

23 [~~C.~~] D. The exemptions from property taxation under
24 [~~Subsections A and B of~~] this section are not cumulative;
25 provided, however, that the exemptions may be applied

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1 consecutively if subsequent exemptions relate to the financing
2 of a new project or new health-related equipment."

3 Section 2. Section 58-23-5 NMSA 1978 (being Laws 1983,
4 Chapter 290, Section 5, as amended) is amended to read:

5 "58-23-5. COUNCIL--CREATED--MEMBERS--QUALIFICATIONS--
6 BOARD.--

7 A. There is created a public body politic and
8 corporate, separate and apart from the state, constituting a
9 governmental instrumentality to be known as the "New Mexico
10 hospital equipment loan council" for the performance of
11 essential public functions.

12 B. The council shall be governed by a board of
13 directors consisting of five members. The governor, with the
14 advice and consent of the senate, shall appoint the members of
15 the board.

16 C. Each member of the board shall be a resident of
17 the state, and in addition:

18 (1) two members shall be officers or directors
19 of financial institutions located in New Mexico;

20 (2) two members shall be officers or directors
21 of a health facility located in New Mexico. Such members shall
22 have been employed for a total of five years as officers or
23 directors of any health facility;

24 (3) one member shall be appointed from and
25 represent the public and shall not be directly or indirectly

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1 affiliated with any health facility; and

2 (4) no more than three members shall be of the
3 same political party.

4 D. The council shall be separate and apart from the
5 state and shall not be subject to the supervision or control of
6 any board, bureau, department or agency of the state except as
7 specifically provided in the Hospital Equipment Loan Act. In
8 order to effectuate the separation of the state from the
9 council, no use of the terms "state agency" or
10 "instrumentality" in any other law of the state shall be deemed
11 to refer to the council unless the council is specifically
12 referred to therein, except that the council is a state agency
13 and instrumentality for the purposes of Article 8, Section 3 of
14 the constitution of New Mexico."

15 Section 3. Section 58-23-29 NMSA 1978 (being Laws 1983,
16 Chapter 290, Section 29, as amended) is amended to read:

17 "58-23-29. EXEMPTION FROM TAXATION--ASSETS TO STATE UPON
18 DISSOLUTION.--

19 A. All property acquired or held by the council
20 under the Hospital Equipment Loan Act, income therefrom and
21 bonds issued under the Hospital Equipment Loan Act, plus the
22 interest payable and income derived from the bonds, shall be
23 exempt from taxation by the state or any subdivision thereof.
24 Upon dissolution of the council, its assets, after payment of
25 its indebtedness, shall inure to the benefit of the state.

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1 B. All health-related equipment purchased,
2 acquired, leased, financed or refinanced with the proceeds of
3 bonds issued under the Hospital Equipment Loan Act is exempt
4 from property taxation for as long as the participating health
5 facility remains liable for any amount under any lease, loan or
6 other agreement securing the bonds, but not to exceed thirty
7 years from the date the bonds were issued for the health-
8 related equipment."

9 Section 4. APPLICABILITY.--The provisions of this act are
10 applicable to property tax years beginning on or after January
11 1, 2006.

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