

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

B. Property interests of a person, other than a
public utility, arising out of the purchase of a project
authorized by the Industrial Revenue Bond Act, the County
Industrial Revenue Bond Act, the Pollution Control Revenue
Bond Act or the Statewide Economic Development Finance Act are

exempt from property taxation for as long as the project purchaser remains liable to the project seller for any part of the purchase price, but not to exceed thirty years from the date of execution of the sale agreement.

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

D. The exemptions from property taxation under this section are not cumulative; provided, however, that the exemptions may be applied consecutively if subsequent exemptions relate to the financing of a new project or new health-related equipment."

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

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

A. There is created a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality to be known as the "New Mexico

hospital equipment loan council" for the performance of essential public functions.

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

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

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

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

(3) one member shall be appointed from and represent the public and shall not be directly or indirectly affiliated with any health facility; and

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

D. The council shall be separate and apart from the state and shall not be subject to the supervision or control of any board, bureau, department or agency of the state except as specifically provided in the Hospital Equipment Loan Act. In order to effectuate the separation of the state from the council, no use of the terms "state agency"

or "instrumentality" in any other law of the state shall be deemed to refer to the council unless the council is specifically referred to therein, except that the council is a state agency and instrumentality for the purposes of Article 8, Section 3 of the constitution of New Mexico."

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

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

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

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

Section 4. APPLICABILITY.--The provisions of this act

are applicable to property tax years beginning on or after

January 1, 2006.