

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

SENATE BILL 4

42ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION
1996

INTRODUCED BY
JOSEPH A. FIDEL

AN ACT

RELATING TO TAXATION; AUTHORIZING IMPOSITION OF THE LOCAL
HOSPITAL GROSS RECEIPTS TAX IN ADDITIONAL CLASSES OF COUNTIES;
AMENDING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 7-20C-2 NMSA 1978 (being Laws 1991,
Chapter 176, Section 2, as amended) is amended to read:

"7-20C-2. DEFINITIONS. --As used in the Local Hospital
Gross Receipts Tax Act:

A. "county" means:

(1) a class B county having a population of
less than twenty-five thousand according to the most recent
federal decennial census and having a net taxable value for
rate-setting purposes for the 1990 property tax year or any

Underscored material = new
[bracketed material] = delete

1 subsequent year of more than two hundred fifty million dollars
2 (\$250,000,000);

3 (2) a class B county having a population of
4 less than forty-seven thousand but more than forty-four thousand
5 according to the 1990 federal decennial census and having a net
6 taxable value for rate-setting purposes for the 1992 property
7 tax year of more than three hundred million dollars
8 (\$300,000,000) but less than six hundred million dollars
9 (\$600,000,000); [or]

10 (3) a class B county [~~in New Mexico~~] having a
11 population of less than ten thousand according to the most
12 recent federal decennial census and having a net taxable value
13 for rate-setting purposes for the 1990 property tax year or any
14 subsequent year of more than one hundred million dollars
15 (\$100,000,000);

16 (4) a class B county having a population of
17 less than twenty-five thousand according to the 1990 federal
18 decennial census and having a net taxable value for rate-setting
19 purposes for the 1993 property tax year of more than ninety-one
20 million dollars (\$91,000,000) but less than one hundred twenty-
21 five million dollars (\$125,000,000); or

22 (5) a class B county having a population of
23 more than seventeen thousand but less than twenty thousand
24 according to the 1990 federal decennial census and having a net
25 taxable value for rate-setting purposes for the 1993 property

Underscored material = new
[bracketed material] = delete

1 tax year of more than one hundred fifty-three million dollars
2 (\$153,000,000) but less than one hundred fifty-six million
3 dollars (\$156,000,000):

4 B. "department" means the taxation and revenue
5 department, the secretary of taxation and revenue or any
6 employee of the department exercising authority lawfully
7 delegated to that employee by the secretary;

8 C. "governing body" means the board of county
9 commissioners of a county;

10 D. "local hospital gross receipts tax" means the tax
11 authorized to be imposed under the Local Hospital Gross Receipts
12 Tax Act;

13 E. "person" means an individual or any other legal
14 entity; and

15 F. "state gross receipts tax" means the gross
16 receipts tax imposed under the Gross Receipts and Compensating
17 Tax Act. "

18 Section 2. Section 7-20C-3 NMSA 1978 (being Laws 1991,
19 Chapter 176, Section 3, as amended) is amended to read:

20 "7-20C-3. LOCAL HOSPITAL GROSS RECEIPTS TAX--AUTHORITY TO
21 IMPOSE--ORDINANCE REQUIREMENTS. --

22 A. [The] A majority of the members elected to the
23 governing body of a county may enact an ordinance imposing an
24 excise tax on any person engaging in business in the county for
25 the privilege of engaging in business. This tax is to be

. 112389. 1GJ

Underscored material = new
[bracketed material] = delete

1 referred to as the "local hospital gross receipts tax". The
2 rate of the tax shall be:

3 (1) one-half of one percent of the gross
4 receipts of the person engaging in business if the tax is
5 initially imposed before January 1, 1993; [~~The rate of the tax~~
6 ~~shall be~~]

7 (2) one-eighth of one percent of the
8 gross receipts of the person engaging in business if the tax is
9 initially imposed after January 1, 1993; and

10 (3) a rate not to exceed one-half of one
11 percent of the gross receipts of the person engaging in business
12 if the tax is imposed after July 1, 1996 in a county described
13 in Paragraph (4) of Subsection A of Section 7-20C-2 NMSA 1978;
14 provided, the tax may be imposed in any number of increments of
15 one-eighth percent not to exceed an aggregate rate of one-half
16 of one percent of gross receipts.

17 B. The local hospital gross receipts tax imposed
18 initially before January 1, 1993 shall be imposed only once for
19 the period necessary for payment of the principal and interest
20 on revenue bonds issued to accomplish the purpose for which the
21 revenue is dedicated, but the period shall not exceed ten years
22 from the effective date of the ordinance imposing the tax. The
23 local hospital gross receipts tax imposed after July 1, 1996 in
24 a county described in Paragraph (4) of Subsection A of Section
25 7-20C-2 NMSA 1978 shall be imposed only once for the period

Underscored material = new
[bracketed material] = delete

1 necessary for payment of the principal and interest on revenue
2 bonds issued to accomplish the purpose for which the revenue is
3 dedicated, but the period shall not exceed twenty years from the
4 effective date of the ordinance imposing the tax.

5 C. No local hospital gross receipts tax authorized
6 in Subsection A of this section shall be imposed initially after
7 January 1, 1993 unless:

8 (1) in a county described in Paragraph (2) of
9 Subsection A of Section 7-20C-2 NMSA 1978, the voters of the
10 county have approved the issuance of general obligation bonds of
11 the county sufficient to pay at least one-half of the costs of
12 the county hospital facility or county twenty-four hour urgent
13 care or emergency facility for which the local hospital gross
14 receipts tax revenues are dedicated, including the costs of all
15 acquisition, renovation and equipping of the facility; or

16 (2) in a county described in Paragraph (3) or
17 (5) of Subsection A of Section 7-20C-2 NMSA 1978, the county
18 will not have in effect at the same time a county hospital
19 emergency gross receipts tax and the voters of the county have
20 approved the imposition of a property tax at a rate of one
21 dollar (\$1.00) on each one thousand dollars (\$1,000) of taxable
22 value of property in the county for the purpose of operation and
23 maintenance of a hospital owned by the county and operated and
24 maintained either by the county or by another party pursuant to
25 a lease with the county.

Underscored material = new
[bracketed material] = delete

1 D. The governing body of a county enacting an
2 ordinance imposing a local hospital gross receipts tax shall
3 dedicate the revenue from the tax as provided in this
4 subsection. In any election held, the ballot shall clearly
5 state the purpose to which the revenue will be dedicated and the
6 revenue shall be used by the county for that purpose. The
7 revenues shall be dedicated as follows:

8 ~~[D-]~~ (1) prior to January 1, 1993, the
9 governing body, at the time of enacting an ordinance imposing
10 the rate of the tax authorized in Subsection A of this section,
11 shall dedicate the revenue for acquisition of land for and the
12 design, construction, equipping and furnishing of a county
13 hospital facility to be operated by the county or operated and
14 maintained by another party pursuant to a lease with the county;

15 (2) if the governing body of a county described
16 in Paragraph (2), (3) or (5) of Subsection A of Section 7-20C-2
17 NMSA 1978 is enacting the ordinance imposing the tax after July
18 1, 1993, the governing body shall dedicate the revenue for
19 acquisition, renovation and equipping of a building for a county
20 hospital facility or a county twenty-four hour urgent care or
21 emergency facility or for operation and maintenance of that
22 facility, whether operated and maintained by the county or by
23 another party pursuant to a lease or management contract with
24 the county, for the period of time the tax is imposed not to
25 exceed ten years; ~~[In any election held, the ballot shall~~

Underscored material = new
[bracketed material] = delete

1 ~~clearly state the purpose to which the revenue will be dedicated~~
2 ~~and the revenue shall be used by the county for that purpose]~~

3 and

4 (3) if the governing body of a county described
5 in Paragraph (4) of Subsection A of Section 7-20C-2 NMSA 1978 is
6 enacting the ordinance imposing the tax after July 1, 1995, the
7 governing body shall dedicate the revenue for acquisition of
8 land or buildings for and the renovation, design, construction,
9 equipping or furnishing of a county hospital facility to be
10 operated by the county or operated and maintained by another
11 party pursuant to a lease or management contract with the
12 county.

13 E. The ordinance shall not go into effect until
14 after an election is held and a simple majority of the qualified
15 electors of the county voting in the election votes in favor of
16 imposing the local hospital gross receipts tax and, in the case
17 of a county described in Paragraph (3) or (5) of Subsection A of
18 Section 7-20C-2 NMSA 1978, also votes in favor of a property tax
19 at a rate of one dollar (\$1.00) for each one thousand dollars
20 (\$1,000) of taxable value of property in the county. The
21 governing body shall adopt a resolution calling for an election
22 within seventy-five days of the date the ordinance is adopted on
23 the question of imposing the tax. The question may be submitted
24 to the qualified electors and voted upon as a separate question
25 in a general election or in any special election called for that

. 112389. 1GJ

Underscored material = new
[bracketed material] = delete

1 purpose by the governing body. A special election upon the
2 question shall be called, held, conducted and canvassed in
3 substantially the same manner as provided by law for general
4 elections. If the question of imposing a local hospital gross
5 receipts tax fails or if the question of imposing both a local
6 hospital gross receipts tax and a property tax fails, the
7 governing body shall not again propose a local hospital gross
8 receipts tax for a period of one year after the election. A
9 certified copy of any ordinance imposing a local hospital gross
10 receipts tax shall be mailed to the department within five days
11 after the ordinance is adopted in any election called for that
12 purpose.

13 F. Any ordinance enacted pursuant to the provisions
14 of Subsection A of this section shall include an effective date
15 of either July 1 or January 1, whichever date occurs first after
16 the expiration of at least three months from the date the
17 ordinance is approved by the electorate.

18 G. Any ordinance repealed under the provisions of
19 the Local Hospital Gross Receipts Tax Act shall be repealed
20 effective on either July 1 or January 1.

21 H. As used in this section, "taxable value of
22 property" means the sum of:

23 (1) the net taxable value, as that term is
24 defined in the Property Tax Code, of property subject to
25 taxation under the Property Tax Code;

. 112389. 1GJ

Underscored material = new
[bracketed material] = delete

1 (2) the assessed value of products, as those
2 terms are defined in the Oil and Gas Ad Valorem Production Tax
3 Act;

4 (3) the assessed value of equipment, as those
5 terms are defined in the Oil and Gas Production Equipment Ad
6 Valorem Tax Act; and

7 (4) the taxable value of copper mineral
8 property, as those terms are defined in the Copper Production Ad
9 Valorem Tax Act, subject to taxation under the Copper Production
10 Ad Valorem Tax Act."

11 Section 3. Section 7-20C-9 NMSA 1978 (being Laws 1991,
12 Chapter 176, Section 9, as amended) is amended to read:

13 "7-20C-9. LOCAL HOSPITAL REVENUE BONDS--AUTHORITY TO
14 ISSUE-- PLEDGE OF REVENUES. --

15 A. A county, other than a county described in
16 Paragraph (2) of Subsection A of Section 7-20C-2 NMSA 1978, may
17 issue local hospital revenue bonds pursuant to the Local
18 Hospital Gross Receipts Tax Act for the purpose of acquiring
19 land for and designing, constructing, equipping and furnishing a
20 county hospital facility to be operated by the county or by
21 another party pursuant to a lease or management contract with
22 the county.

23 B. The county issuing the local hospital revenue
24 bonds pursuant to the Local Hospital Gross Receipts Tax Act
25 shall pledge irrevocably all of the net receipts derived from

. 112389. 1GJ

Underscored material = new
[bracketed material] = delete

1 the imposition of the local hospital gross receipts tax and may
2 pledge irrevocably any combination of hospital facility revenues
3 and any other revenues as necessary for the payment of principal
4 and interest on the revenue bonds. "

5 Section 4. Section 7-20C-11 NMSA 1978 (being Laws 1991,
6 Chapter 176, Section 11, as amended) is amended to read:

7 "7-20C-11. REVENUE BONDS--TERMS.--Local hospital revenue
8 bonds:

9 A. may have interest, appreciated principal value or
10 any part thereof payable at intervals or at maturity as may be
11 determined by the governing body in the ordinance;

12 B. may be subject to a prior redemption at the
13 option of the county at such [~~time or~~] times and upon such terms
14 and conditions, with or without the payment of such [~~premium or~~]
15 premiums, as may be provided by the ordinance authorizing the
16 bonds;

17 C. may mature at any time not exceeding [~~ten~~] twenty
18 years after the date of issuance;

19 D. may be serial in form and maturity or may consist
20 of one bond payable at one time or in installments or may be in
21 any other form as may be provided in the ordinance authorizing
22 the bonds;

23 E. shall be sold for cash at, above or below par and
24 at a price that results in a net effective interest rate that
25 does not exceed the maximum permitted by the Public Securities

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

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

Act; and

F. may be sold at a public or negotiated sale. "

- 11 -

1 FORTY- SECOND LEGISLATURE
2 FIRST SPECIAL SESSION, 1996
3
4

5
6 March 20, 1996
7

8
9 Mr. President:
10

11 Your WAYS AND MEANS COMMITTEE, to whom has been
12 referred
13

14 SENATE BILL 4
15

16
17 has had it under consideration and reports same with
18 recommendation that it DO PASS.
19

20 Respectfully submitted,
21

22
23
24 _____
25 Tito D. Chavez, Chairman

Underscored material = new
[bracketed material] = delete

Adopted _____ Not Adopted _____

1 (Chief Clerk)

(Chief Clerk)

2

3

4

5 Date _____

6

7

8 The roll call vote was 6 For 1 Against

9 Yes: 6

10 No: Rawson

11 Excused: Wiener

12 Absent: None

13

14

15 S0004WM1

16

17

18

19

20

21

22

23

24

25

State of New Mexico
House of Representatives

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

FORTY- SECOND LEGISLATURE
FIRST SPECIAL SESSION, 1996

March 21, 1996

Mr. Speaker:

**Your TAXATION AND REVENUE COMMITTEE, to whom has
been referred**

SENATE BILL 4

**has had it under consideration and reports same with
recommendation that it DO PASS.**

Respectfully submitted,

Jerry W. Sandel, Chairman

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

FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

SB 4

Page 15

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

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 12 For 0 Against
Yes: 12
Excused: None
Absent: Crook

S0004TR1

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