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AN ACT

RELATING TO TAXATION; ENACTING THE COUNTY HOSPITAL GROSS RECEIPTS TAX.

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

SECTION 1. A new section of the County Local Option Gross Receipts and Compensating Taxes Act is enacted to read:

"COUNTY HOSPITAL GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

A. Upon submission of a resolution to the governing body pursuant to Subsection D of this section, the governing body of a county shall enact an ordinance imposing or reimposing an excise tax at a rate of one-half percent on any person engaging in business in the county for the privilege of engaging in business in the county. The tax imposed pursuant to this section may be referred to as the "county hospital gross receipts tax".

B. The governing body, at the time of enacting an ordinance imposing a tax pursuant to this section, shall dedicate:

(1) twenty-five percent of the revenue to support a nursing program administered by a state university or branch of a state university within the boundaries of the county; and

(2) the remainder of the revenue for the

1 payment of gross receipts tax bonds for hospital capital
2 projects in the county. The tax shall be imposed for the
3 period necessary for payment of the principal and interest on
4 the revenue bonds issued to accomplish the purpose for which
5 the revenue is dedicated, but the period shall not exceed ten
6 years from the effective date of the ordinance imposing the
7 tax.

8 C. The governing body may reimpose a county
9 hospital gross receipts tax to be effective upon termination
10 of a previously imposed county hospital gross receipts tax by
11 following the procedures set forth in this section.

12 D. An ordinance imposing the county hospital gross
13 receipts tax shall not go into effect until after an election
14 is held and a majority of the voters in the county voting in
15 the election votes in favor of imposing the tax. The
16 governing body shall adopt a resolution calling for an
17 election on the question of imposing the tax. The election
18 shall be held pursuant to the Local Election Act. If a
19 majority of the voters voting on the question approves the
20 ordinance imposing the tax, then the ordinance shall become
21 effective in accordance with the provisions of the County
22 Local Option Gross Receipts and Compensating Taxes Act. If
23 the question of imposing the tax fails, the governing body
24 shall not again propose the imposition of the tax for a
25 period of one year from the date of the election.

1 E. The proceeds from revenue bonds issued for
2 purposes provided by this section shall be administered by
3 the governing body for the purposes authorized in this
4 section and as set out in the resolution submitted by the
5 boards to the governing body.

6 F. As used in this section:

7 (1) "capital projects" means the designing,
8 constructing and equipping of hospital buildings; the
9 remodeling, renovating or making additions to and equipping
10 existing hospital buildings; or the improving or equipping of
11 the grounds of hospital buildings; and

12 (2) "county" means a class B county with a
13 population of less than thirty-seven thousand according to
14 the most recent federal decennial census and a net taxable
15 value for property tax purposes of more than one billion five
16 hundred ninety million dollars (\$1,590,000,000) but less than
17 two billion dollars (\$2,000,000,000)."

18 SECTION 2. EFFECTIVE DATE.--The effective date of the
19 provisions of this act is July 1, 2023. _____

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