New Mexico Association of Counties

Revenue Stabilization & Tax Policy Committee Testimony

October 22, 2013

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New Mexico Association of Counties
2014 Legislative Priorities

Tax-Related Issues

- **Property Tax Equity**

Provide for a more equitable, transparent, and understandable property tax system. (Assessors)

- **Real Property Sales Disclosure**

Provide for the disclosure of sales data for all real property, (includes non-residential but not agricultural land or subsurface rights on mineral deeds).
(Assessors)

- **Delinquent Property Tax Payments**

Amend state law to authorize County Treasurers to receive all payments of property taxes, including for those properties that have been turned over to the Property Tax Division for collection and have been placed on installment agreements.
(Treasurers).

- **Delinquent Property Tax List**

Clarify the responsibility of County Treasurers and the Property Tax Division, so that if a delinquent property does not appear on the most recent delinquent property tax list, that property reverts back to the County Treasurer for collection, and the penalty and interest collected are distributed to the county.(Treasurers)

- **County Correctional Facility Gross Receipts Tax**

Increase existing county local option gross receipts tax for county correctional facilities. (Detention Administrators and Commissioners)

Non-Tax Issues

- **Notice of Liens**

Require liens to contain language that notice of the lien was sent to the property owner prior to filing the lien. (Clerks)

- **Medicaid Benefits Suspension**

Support suspension of Medicaid benefits in lieu of termination, during incarceration In county detention facilities. (Commissioners)

See third page for description of County Correctional Facility Gross Receipts Tax

COUNTY GROSS RECEIPTS TAX (GRT) LOCAL OPTION INCREMENTS

The county gross receipts taxes are collected at the same time and in the same manner as the state gross receipts. The local option tax rate changes are combined with the state gross receipts tax rate and incorporated into the gross receipts tax rate schedule that is revised and provided to the taxpayers every six months. The Enactment Date Table is posted on the Taxation & Revenue Department website: http://www.tax.newmexico.gov/Tax-Library/For-Governments/Municipal-and-County-Governments/Pages/Enactment-Date-Tables.aspx

Excerpted from County Gross Receipts Tax Local Options, published by the NM Taxation & Revenue Department, Revised June 2013.

DESCRIPTION & IMPOSITION, BY COUNTY, AS OF JULY 1, 2013

NAME OF TAX, PURPOSE, & INCREMENTS AUTHORIZED Unless otherwise noted, all increments are imposed countywide.	**STATUTES & COUNTIES IMPOSING TAX**
COUNTY GROSS RECEIPTS TAX	**7-20E-9 through 7-20E-11**
First 1/8 % (general purpose and/or county road fund	All counties
Second 1/8 % (county indigent patients)	All counties but Harding & Socorro
Third 1/8 % (general purpose)	24 counties
Fourth 1/16 th% (general purpose)	22 counties
COUNTY INFRASTRUCTURE GROSS RECEIPTS TAX General purposes, waste/wastewater facilities, jails, economic development, etc.	**7-20E-19**
.First 1/16 %	10 counties
Second 1/16 %	10 counties

COUNTY CAPITAL OUTLAY GROSS RECEIPTS TAX Building & infrastructure projects, payment of revenue bonds for infrastructure	**7-20E-21**
First 1/16 %	6 counties
Second 1/16 %	6 counties
Third 1/16 %	6 counties
Fourth 1/16 %	6 counties
COUNTYWIDE/COUNTY AREA EMERGENCY COMMUNICATIONS & EMERGENCY MEDICAL & BEHAVIORAL HEALTH SERVICES GROSS RECEIPTS TAX Eligibility contingent on having emergency communications center and/or behavioral health services facility. May be imposed countywide or outside incorporated areas only.	**7-20E-22**
First 1/16 %	12 counties (Dona Ana votes on 07/30)
Second 1/16 %	12 counties
Third 1/16 %	10 counties
Fourth 1/16 %	9 counties
COUNTY EDUCATION GROSS RECEIPTS TAX For payment of county education GRT bonds for public school capital projects & off-campus program capital projects. Only Taos county is authorized.	**7-20E-20**
One ½ % increment	Taos
COUNTY HEALTH CARE GROSS RECEIPTS TAX Must be dedicated to the state's county-supported Medicaid Fund	**7-20E-18**
First 1/16 %	16 counties
Second 1/16 % is available only to counties w/ populations over 500,000.	Bernalillo
LOCAL HOSPITAL GROSS RECEIPTS TAX	**7-20C-1 through 7-20C-17**
Four 1/8 % increments to pay principal & interest on revenue bonds for acquisition of land or buildings for hospital or healthcare facilities. Authorized for 14 counties; only 5 have imposed it.	
First 1/8 %	Cibola, Quay, Roosevelt, San Juan, Union
Second 1/8 %	Cibola, Quay, Roosevelt, Union
Third 1/8%	Cibola, Quay, Roosevelt
Fourth 1/8 %	Cibola, Quay, Roosevelt

COUNTY HOSPITAL EMERGENCY GROSS RECEIPTS TAX To design & construct a county hospital facility, acquire land or buildings, or repay bonds or loans for acquiring, equipping, remodeling, or improving county hospital or health facility.	7-20E-12.1
One ¼% increment	Hidalgo & Sierra
SPECIAL COUNTY HOSPITAL GROSS RECEIPTS TAX For operations & maintenance of hospital for care of sick & indigent persons (Quay) & county ambulance transport or rural health clinic costs (Luna).	7-20E-13 & 7-20E-14
One 1/8 % increment	Quay and Luna
COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS TAX Originally for purchasing & constructing jails; expanded to include operating detention facilities & transportation of prisoners. No election required but voters may petition for an election to approve or disapprove.	7-20-F-1 through 7-20F-12
First 1/16 %	26 counties
Second 1/16%	26 counties
COUNTY ENVIRONMENTAL SERVICES GROSS RECEIPTS TAX For acquiring, constructing, operating & maintaining solid waste, water, wastewater, sewer, & other systems. Imposed only on businesses outside incorporated municipalities.	7-20E-17
One 1/8 %	29 counties
COUNTY FIRE PROTECTION SERVICES EXCISE TAX For operational expenses (no salaries), ambulance services, capital outlay costs of independent fire districts or county ambulance services. Imposed only on businesses outside incorporated municipalities.	7-20E-15 & 7-20E-16
Increment can be either 1/8 or ¼ %. All imposing counties have enacted ¼ %.	21 counties
COUNTY REGIONAL TRANSIT GROSS RECEIPTS TAX For purposes authorized in the Regional Transit District Act. County must be member of a regional transit district; all counties in district must elect to enact the tax.	7-20E-23
Four 1/16 % increments All counties appear to have enacted the first 2 increments only.	Bernalillo, Los Alamos, Rio Arriba, Sandoval, Santa Fe, & Taos counties

COUNTY QUALITY OF LIFE GROSS RECEIPTS TAX To promote & expand cultural programs	7-20E-24
Four 1/16th % increments	No counties (Village of Cuba has enacted)
COUNTY REGIONAL SPACEPORT GROSS RECEIPTS TAX County must be a member of a regional spaceport. At least 75 % is for a regional spaceport district financing, planning, designing, engineering, constructing, and/or projects of the district.	7-20E-25
First & second 1/16 % increments	Dona Ana & Sierra counties
COUNTY WATER & SANITATION GROSS RECEIPTS TAX If board of directors of water & sanitation district approves a resolution, county must impose the tax on persons engaged in business in the district.	7-20-E-26
One ¼ % increment	No counties
COUNTY BUSINESS RETENTION GROSS RECEIPTS TAX To retain local businesses in the county, by reducing the impact to the State General Fund of gaming tax lost to the state because of reduced economic activity in the county. May be imposed only by a county containing gaming operator licensees that are racetracks (racinos).	7-20E-27
Four 1/16 % increments	Lincoln county (enacted 2011; expires 2015)
COUNTY HOLD HARMLESS GROSS RECEIPTS TAX County may designate specific purpose, including but not limited to police or fire protection, public transportation or street repair and maintenance.	Enacted in 2013; no counties have yet imposed.
Three 1/8 % increments; no voter referendum or petition	

Data sources: New Mexico Department of Taxation & Revenue
County Gross Receipts Tax Local Options, revised June 2013
Enactment Dates of Local Option Taxes, as of July 1, 2013

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updated 07/30/13

County Taxable Gross Receipts and 1/8% Increments Based on FY13 County WideTaxable Gross Receipts

	Taxable Gross Receipts	1/8%	2/8%	3/8%
Bernalillo County	$ 16,587,396,133	$ 20,734,245	$ 41,468,490	$ 62,202,735
Catron County	$ 37,752,920	$ 47,191	$ 94,382	$ 141,573
Chaves County	$ 1,219,522,032	$ 1,524,403	$ 3,048,805	$ 4,573,208
Cibola County	$ 339,199,004	$ 423,999	$ 847,998	$ 1,271,996
Colfax County	$ 304,598,920	$ 380,749	$ 761,497	$ 1,142,246
Curry County	$ 1,063,125,476	$ 1,328,907	$ 2,657,814	$ 3,986,721
De Baca County	$ 24,400,617	$ 30,501	$ 61,002	$ 91,502
Dona Ana County	$ 3,618,680,355	$ 4,523,350	$ 9,046,701	$ 13,570,051
Eddy County	$ 4,037,272,033	$ 5,046,590	$ 10,093,180	$ 15,139,770
Grant County	$ 539,196,704	$ 673,996	$ 1,347,992	$ 2,021,988
Guadalupe County	$ 84,441,404	$ 105,552	$ 211,104	$ 316,655
Harding County	$ 18,780,785	$ 23,476	$ 46,952	$ 70,428
Hidalgo County	$ 87,887,367	$ 109,859	$ 219,718	$ 329,578
Lea County	$ 4,795,204,169	$ 5,994,005	$ 11,988,010	$ 17,982,016
Lincoln County	$ 505,274,186	$ 631,593	$ 1,263,185	$ 1,894,778
Los Alamos	$ 1,368,196,653	$ 1,710,246	$ 3,420,492	$ 5,130,737
Luna County	$ 331,335,335	$ 414,169	$ 828,338	$ 1,242,508
McKinley County	$ 1,296,180,825	$ 1,620,226	$ 3,240,452	$ 4,860,678
Mora County	$ 36,797,677	$ 45,997	$ 91,994	$ 137,991
Otero County	$ 968,270,714	$ 1,210,338	$ 2,420,677	$ 3,631,015
Quay County	$ 156,697,776	$ 195,872	$ 391,744	$ 587,617
Rio Arriba County	$ 506,055,097	$ 632,569	$ 1,265,138	$ 1,897,707
Roosevelt County	$ 248,673,714	$ 310,842	$ 621,684	$ 932,526
San Juan County	$ 3,830,241,382	$ 4,787,802	$ 9,575,603	$ 14,363,405
San Miguel County	$ 374,375,345	$ 467,969	$ 935,938	$ 1,403,908
Sandoval County	$ 1,525,434,124	$ 1,906,793	$ 3,813,585	$ 5,720,378
Santa Fe County	$ 3,677,565,212	$ 4,596,957	$ 9,193,913	$ 13,790,870
Sierra County	$ 188,497,659	$ 235,622	$ 471,244	$ 706,866
Socorro County	$ 224,272,739	$ 280,341	$ 560,682	$ 841,023
Taos County	$ 612,856,837	$ 766,071	$ 1,532,142	$ 2,298,213
Torrance County	$ 109,178,445	$ 136,473	$ 272,946	$ 409,419
Union County	$ 113,454,418	$ 141,818	$ 283,636	$ 425,454
Valencia County	$ 691,909,338	$ 864,887	$ 1,729,773	$ 2,594,660

NMAC Board of Directors'
Resolution on Preemption of Local Authority

Whereas, New Mexico counties are currently authorized by law (7-20E-9, NMSA 1978) to impose a local option gross receipts tax increment of one-eighth of one percent, countywide without referendum, all of which must be dedicated to the support of indigent patients who are residents of that county; and

Whereas, every county except for Harding and Socorro has imposed that second one-eighth increment for indigent patients; and

Whereas, sixteen counties have also enacted the County Health Care Gross Receipts Tax one-sixteenth increment, countywide without referendum or petition, which must be dedicated to the State's County-Supported Medicaid Fund; and

Whereas, New Mexico counties have a statutory responsibility for indigent health care pursuant to 27-5-1 to 18, NMSA, 1978, and also have a long history of caring for and commitment to the support of their local hospitals, particularly in rural areas of the state; and

Whereas, the New Mexico Association of Counties has consistently requested the use of county funding for hospital uncompensated care be reported back to the counties in a transparent and accountable manner; and

Whereas, revenues from the second one-eight increment are currently used by counties to provide a local match to the state for the purpose of drawing down a match of federal Medicaid dollars for hospitals that qualify for the Sole Community Provider (SCP) Program; and

Whereas, revenues from the second one-eighth increment are also used by counties to support a wide range of health care services critical to citizens who are not eligible for Medicaid, including detention inmate health care, substance abuse treatment, rural primary care, home health services, prescription drugs, dental services, indigent burial and cremation services, ambulance service, and hospital care; and

Whereas, the New Mexico implementation of Medicaid expansion and market exchanges that are part of health care reform will mean that many indigent care clients will qualify for the new expanded Medicaid coverage, but many will remain indigent due to exemptions to the Affordable Care Act, and will therefore continue to be the responsibility of the county (27-5-2, NMSA 1978); and

Whereas, the intent of the federal Affordable Care Act, is to encourage hospitals and local governments and communities to work closely together to build a safety net of basic health care services; and

Whereas, the New Mexico Human Services Department (HSD) has proposed to redirect the revenue generated by the county local option second one-eighth increment from the counties that have authorized it, to the state;

Now Therefore Be It Resolved That the New Mexico Association of Counties opposes any proposal or legislation that would preempt local government authority, by taking from counties the authority to utilize revenues generated by local taxes in the best interests of their citizens.

Approved by NMAC Board of Directors' October 18, 2013