

April 12, 2000

SENATE EXECUTIVE MESSAGE NO. 4

The Honorable Manny M. Aragon and

Members of the Senate

Executive-Legislative Building

Santa Fe, New Mexico 87503

Honorable President and Members of the Senate:

I have this day VETOED and am returning SENATE BILL 33, without emergency clause, enacted by the Forty-Fourth Legislature, Second Special Session, 2000.

This legislation is identical to Senate Bill 348 of the Forty-Forth Legislature, Second Session, 2000 which I have previously vetoed. It would mandate that all counties increase their payments to the County-Supported Medicaid Fund by an amount equal to 1/64 of one percent of their gross receipts taxes, and to transfer these new taxes to the fund on a quarterly basis. The legislation places a contingency upon the provisions regarding these transfers that relate to the Human Services Department receiving approval from the federal government for an amendment to the state's Medicaid plan that expands eligibility for certain adults.

While the legislation allows counties to use funds from any existing authorized revenue source to meet this mandated increased payment, it could dictate a tax increase for some counties or a reallocation of county resources from other activities in counties where they cannot increase tax rates and could impair existing service levels within their jurisdiction. In addition, the revenue raised would not meet the needs of the state's share of the proposed Medicaid expansion, which would be about \$10 million the first year and \$20 million in the second and subsequent years. Thus this bill creates yet another shortfall requiring funds from the state's Medicaid account which recently has suffered from under funding by the legislature.

Sincerely,

Gary E. Johnson

Governor

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Senate Bill 33

RECEIVED FROM THE OFFICE OF THE GOVERNOR:

Time: _____ By: _____