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**SENATE BILL 567**

**45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001**

**INTRODUCED BY**

**John Arthur Smith**

**AN ACT**

**RELATING TO TAXATION; AUTHORIZING IMPOSITION OF THE LOCAL HOSPITAL GROSS RECEIPTS TAX AT AN INCREASED RATE; AUTHORIZING USE OF THE COUNTY HOSPITAL EMERGENCY GROSS RECEIPTS TAX FOR AN ADDITIONAL PURPOSE; AMENDING SECTIONS OF THE NMSA 1978.**

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

**Section 1. Section 4-62-1 NMSA 1978 (being Laws 1992, Chapter 95, Section 1, as amended) is amended to read:**

**"4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF REVENUES--LIMITATION ON TIME OF ISSUANCE.--**

**A. In addition to any other law authorizing a county to issue revenue bonds, a county may issue revenue bonds pursuant to Chapter 4, Article 62 NMSA 1978 for the purposes specified in this section. The term "pledged revenues", as used in Chapter 4, Article 62 NMSA 1978, means**

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1 the revenues, net income or net revenues authorized to be  
2 pledged to the payment of particular revenue bonds as  
3 specifically provided in Subsections B through K of this  
4 section.

5 B. Gross receipts tax revenue bonds may be issued  
6 for one or more of the following purposes:

7 (1) constructing, purchasing, furnishing,  
8 equipping, rehabilitating, making additions to or making  
9 improvements to one or more public buildings or purchasing or  
10 improving ground relating thereto, including but not  
11 necessarily limited to acquiring and improving parking lots,  
12 or any combination of the foregoing;

13 (2) acquiring or improving county or public  
14 parking lots, structures or facilities or any combination of  
15 the foregoing;

16 (3) purchasing, acquiring or rehabilitating  
17 firefighting equipment or any combination of the foregoing;

18 (4) acquiring, extending, enlarging,  
19 bettering, repairing, otherwise improving or maintaining storm  
20 sewers and other drainage improvements, sanitary sewers,  
21 sewage treatment plants, water utilities or other water,  
22 wastewater or related facilities, including but not limited to  
23 the acquisition of rights of way and water and water rights,  
24 or any combination of the foregoing;

25 (5) reconstructing, resurfacing, maintaining,

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1 repairing or otherwise improving existing alleys, streets,  
2 roads or bridges or any combination of the foregoing or laying  
3 off, opening, constructing or otherwise acquiring new alleys,  
4 streets, roads or bridges or any combination of the foregoing;  
5 provided that any of the foregoing improvements may include  
6 the acquisition of rights of way;

7 (6) purchasing, acquiring, constructing,  
8 making additions to, enlarging, bettering, extending or  
9 equipping airport facilities or any combination of the  
10 foregoing, including without limitation the acquisition of  
11 land, easements or rights of way;

12 (7) purchasing or otherwise acquiring or  
13 clearing land or purchasing, otherwise acquiring and  
14 beautifying land for open space;

15 (8) acquiring, constructing, purchasing,  
16 equipping, furnishing, making additions to, renovating,  
17 rehabilitating, beautifying or otherwise improving public  
18 parks, public recreational buildings or other public  
19 recreational facilities or any combination of the foregoing;

20 (9) acquiring, constructing, extending,  
21 enlarging, bettering, repairing or otherwise improving or  
22 maintaining solid waste disposal equipment, equipment for  
23 operation and maintenance of sanitary landfills, sanitary  
24 landfills, solid waste facilities or any combination of the  
25 foregoing; or

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1 (10) acquiring, constructing, extending,  
2 bettering, repairing or otherwise improving public transit  
3 systems or any regional transit systems or facilities.

4 A county may pledge irrevocably any or all of the revenue  
5 from the first one-eighth of one percent increment and the  
6 third one-eighth of one percent increment of the county gross  
7 receipts tax and the county infrastructure gross receipts tax  
8 for payment of principal and interest due in connection with,  
9 and other expenses related to, gross receipts tax revenue  
10 bonds for any of the purposes authorized in this section or  
11 specific purposes or for any area of county government  
12 services. If the revenue from the first one-eighth of one  
13 percent increment or the third one-eighth of one percent  
14 increment of the county gross receipts tax or the county  
15 infrastructure gross receipts tax is pledged for payment of  
16 principal and interest as authorized by this subsection, the  
17 pledge shall require the revenues received from that increment  
18 of the county gross receipts tax or the county infrastructure  
19 gross receipts tax to be deposited into a special bond fund  
20 for payment of the principal, interest and expenses. At the  
21 end of each fiscal year, money remaining in the special bond  
22 fund after the annual obligations for the bonds are fully met  
23 may be transferred to any other fund of the county.

24 Revenues in excess of the annual principal and interest  
25 due on gross receipts tax revenue bonds secured by a pledge of

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1 gross receipts tax revenue may be accumulated in a debt  
2 service reserve account. The governing body of the county may  
3 appoint a commercial bank trust department to act as trustee  
4 of the proceeds of the tax and to administer the payment of  
5 principal of and interest on the bonds.

6 C. Fire protection revenue bonds may be issued for  
7 acquiring, extending, enlarging, bettering, repairing,  
8 improving, constructing, purchasing, furnishing, equipping or  
9 rehabilitating any independent fire district project or  
10 facilities, including where applicable purchasing, otherwise  
11 acquiring or improving the ground for the project, or any  
12 combination of such purposes. A county may pledge irrevocably  
13 any or all of the county fire protection excise tax revenue  
14 for payment of principal and interest due in connection with,  
15 and other expenses related to, fire protection revenue bonds.  
16 These bonds may be referred to in Chapter 4, Article 62 NMSA  
17 1978 as "fire protection revenue bonds".

18 D. Environmental revenue bonds may be issued for  
19 the acquisition and construction of solid waste facilities,  
20 water facilities, wastewater facilities, sewer systems and  
21 related facilities. A county may pledge irrevocably any or  
22 all of the county environmental services gross receipts tax  
23 revenue for payment of principal and interest due in  
24 connection with, and other expenses related to, environmental  
25 revenue bonds. These bonds may be referred to in Chapter 4,

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1 Article 62 NMSA 1978 as "environmental revenue bonds".

2 E. Gasoline tax revenue bonds may be issued for  
3 the acquisition of rights of way for and the construction,  
4 reconstruction, resurfacing, maintenance, repair or other  
5 improvement of county roads and bridges. A county may pledge  
6 irrevocably any or all of the county gasoline tax revenue for  
7 payment of principal and interest due in connection with, and  
8 other expenses related to, county gasoline tax revenue bonds.  
9 These bonds may be referred to in Chapter 4, Article 62 NMSA  
10 1978 as "gasoline tax revenue bonds".

11 F. Utility revenue bonds or joint utility revenue  
12 bonds may be issued for acquiring, extending, enlarging,  
13 bettering, repairing or otherwise improving water facilities,  
14 sewer facilities, gas facilities or electric facilities or for  
15 any combination of the foregoing purposes. A county may  
16 pledge irrevocably any or all of the net revenues from the  
17 operation of the utility or joint utility for which the  
18 particular utility or joint utility bonds are issued to the  
19 payment of principal and interest due in connection with, and  
20 other expenses related to, utility or joint utility revenue  
21 bonds. These bonds may be referred to in Chapter 4, Article  
22 62 NMSA 1978 as "utility revenue bonds" or "joint utility  
23 revenue bonds".

24 G. Project revenue bonds may be issued for  
25 acquiring, extending, enlarging, bettering, repairing,

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1 improving, constructing, purchasing, furnishing, equipping or  
2 rehabilitating any revenue-producing project, including as  
3 applicable purchasing, otherwise acquiring or improving the  
4 ground therefor and including but not limited to acquiring and  
5 improving parking lots, or may be issued for any combination  
6 of the foregoing purposes. The county may pledge irrevocably  
7 any or all of the net revenues from the operation of the  
8 revenue-producing project for which the particular project  
9 revenue bonds are issued to the payment of the interest on and  
10 principal of the project revenue bonds. The net revenues of  
11 any revenue-producing project may not be pledged to the  
12 project revenue bonds issued for any other revenue-producing  
13 project that is clearly unrelated in nature; but nothing in  
14 this subsection prevents the pledge to any of the project  
15 revenue bonds of the revenues received from existing, future  
16 or disconnected facilities and equipment that are related to  
17 and that may constitute a part of the particular revenue-  
18 producing project. A general determination by the governing  
19 body that facilities or equipment is reasonably related to and  
20 [~~constitute~~] constitutes a part of a specified revenue-  
21 producing project shall be conclusive if set forth in the  
22 proceedings authorizing the project revenue bonds. As used in  
23 Chapter 4, Article 62 NMSA 1978:

24 (1) "project revenue bonds" means the bonds  
25 authorized in this subsection; and

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1 (2) "project revenues" means the net revenues  
2 of revenue-producing projects that may be pledged to project  
3 revenue bonds pursuant to this subsection.

4 H. Fire district revenue bonds may be issued for  
5 acquiring, extending, enlarging, bettering, repairing,  
6 improving, constructing, purchasing, furnishing, equipping and  
7 rehabilitating any fire district project, including where  
8 applicable purchasing, otherwise acquiring or improving the  
9 ground therefor, or for any combination of the foregoing  
10 purposes. The county may pledge irrevocably any or all of the  
11 revenues received by the fire district from the fire  
12 protection fund as provided in the Fire Protection Fund Law  
13 and any or all of the revenues provided for the operation of  
14 the fire district project for which the particular bonds are  
15 issued to the payment of the interest on and principal of the  
16 bonds. The revenues of a fire district project shall not be  
17 pledged to the bonds issued for a fire district project that  
18 clearly is unrelated in its purpose; but nothing in this  
19 section prevents the pledge to such bonds of revenues received  
20 from existing, future or disconnected facilities and equipment  
21 that are related to and that may constitute a part of the  
22 particular fire district project. A general determination by  
23 the governing body of the county that facilities or equipment  
24 is reasonably related to and [~~constitute~~] constitutes a part  
25 of a specified fire district project shall be conclusive if

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1 set forth in the proceedings authorizing the fire district  
2 bonds.

3 I. Law enforcement protection revenue bonds may be  
4 issued for the repair and purchase of law enforcement  
5 apparatus and equipment that meet nationally recognized  
6 standards. The county may pledge irrevocably any or all of  
7 the revenues received by the county from the law enforcement  
8 protection fund distributions pursuant to the Law Enforcement  
9 Protection Fund Act to the payment of the interest on and  
10 principal of the law enforcement protection revenue bonds.

11 J. Hospital emergency gross receipts tax revenue  
12 bonds may be issued for acquisition, equipping, remodeling or  
13 improvement of a county hospital or county health facility or  
14 for remodeling or improvements necessary for the conversion of  
15 a county hospital facility to another local government use. A  
16 county may pledge irrevocably to the payment of the interest  
17 on and principal of the hospital emergency gross receipts tax  
18 revenue bonds any or all of the revenues received by the  
19 county from a county hospital emergency gross receipts tax  
20 imposed pursuant to Section 7-20E-12.1 NMSA 1978 and dedicated  
21 to payment of bonds or a loan for acquisition, equipping,  
22 remodeling or improvement of a county hospital or county  
23 health facility or for remodeling or improvements necessary  
24 for the conversion of a county hospital facility to another  
25 local government use.

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1           K. Economic development gross receipts tax revenue  
2 bonds may be issued for the purpose of furthering economic  
3 development projects as defined in the Local Economic  
4 Development Act. A county may pledge irrevocably any or all  
5 of the county infrastructure gross receipts tax to the payment  
6 of the interest on and principal of the economic development  
7 gross receipts tax revenue bonds for any of the purposes  
8 authorized in this subsection.

9           L. Except for the purpose of refunding previous  
10 revenue bond issues, no county may sell revenue bonds payable  
11 from pledged revenue after the expiration of two years from  
12 the date of the ordinance authorizing the issuance of the  
13 bonds or, for bonds to be issued and sold to the New Mexico  
14 finance authority as authorized in Subsection C of Section  
15 4-62-4 NMSA 1978, after the expiration of two years from the  
16 date of the resolution authorizing the issuance of the bonds.  
17 However, any period of time during which a particular revenue  
18 bond issue is in litigation shall not be counted in  
19 determining the expiration date of that issue.

20           M. No bonds may be issued by a county, other than  
21 an H class county, a class B county as defined in Section  
22 4-36-8 NMSA 1978 or a class A county as described in Section  
23 4-36-10 NMSA 1978, to acquire, equip, extend, enlarge, better,  
24 repair or construct a utility unless the utility is regulated  
25 by the public regulation commission pursuant to the Public

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1 Utility Act and the issuance of the bonds is approved by the  
2 commission. For purposes of Chapter 4, Article 62 NMSA 1978,  
3 a "utility" includes but is not limited to a water,  
4 wastewater, sewer, gas or electric utility or joint utility  
5 serving the public. H class counties shall obtain public  
6 regulation commission approvals required by Section  
7 3-23-3 NMSA 1978.

8 N. Any law that imposes or authorizes the  
9 imposition of a county gross receipts tax, a county  
10 environmental services gross receipts tax, a county fire  
11 protection excise tax, a county infrastructure gross receipts  
12 tax, the gasoline tax or the county hospital emergency gross  
13 receipts tax, or that affects any of those taxes, shall not be  
14 repealed or amended in such a manner as to impair outstanding  
15 revenue bonds that are issued pursuant to Chapter 4, Article  
16 62 NMSA 1978 and that may be secured by a pledge of those  
17 taxes unless the outstanding revenue bonds have been  
18 discharged in full or provision has been fully made therefor.

19 0. As used in this section:

20 (1) "county infrastructure gross receipts tax  
21 revenue" means the revenue from the county infrastructure  
22 gross receipts tax transferred to the county pursuant to  
23 Section 7-1-6.13 NMSA 1978;

24 (2) "county environmental services gross  
25 receipts tax revenue" means the revenue from the county

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1 environmental services gross receipts tax transferred to the  
2 county pursuant to Section 7-1-6.13 NMSA 1978;

3 (3) "county fire protection excise tax  
4 revenue" means the revenue from the county fire protection  
5 excise tax transferred to the county pursuant to Section  
6 7-1-6.13 NMSA 1978;

7 (4) "county gross receipts tax revenue" means  
8 the revenue attributable to the first one-eighth of one  
9 percent and the third one-eighth of one percent increments of  
10 the county gross receipts tax transferred to the county  
11 pursuant to Section 7-1-6.13 NMSA 1978 and any distribution  
12 related to the first one-eighth of one percent made pursuant  
13 to Section 7-1-6.16 NMSA 1978;

14 (5) "gasoline tax revenue" means the revenue  
15 from that portion of the gasoline tax distributed to the  
16 county pursuant to Sections 7-1-6.9 and 7-1-6.26 NMSA 1978;  
17 and

18 (6) "public building" includes but is not  
19 limited to fire stations, police buildings, county or regional  
20 jails, county or regional juvenile detention facilities,  
21 libraries, museums, auditoriums, convention halls, hospitals,  
22 buildings for administrative offices, courthouses and garages  
23 for housing, repairing and maintaining county vehicles and  
24 equipment.

25 P. As used in Chapter 4, Article 62 NMSA 1978,

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1 the term "bond" means any obligation of a county issued under  
2 Chapter 4, Article 62 NMSA 1978, whether designated as a bond,  
3 note, loan, warrant, debenture, lease-purchase agreement or  
4 other instrument evidencing an obligation of a county to make  
5 payments. "

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

8 "7-20C-3. LOCAL HOSPITAL GROSS RECEIPTS TAX--AUTHORITY  
9 TO IMPOSE--ORDINANCE REQUIREMENTS. --

10 A. A majority of the members elected to the  
11 governing body of a county may enact an ordinance imposing an  
12 excise tax on any person engaging in business in the county  
13 for the privilege of engaging in business. This tax is to be  
14 referred to as the "local hospital gross receipts tax". The  
15 rate of the tax shall be:

16 (1) one-half of one percent of the gross  
17 receipts of the person engaging in business if the tax is  
18 initially imposed before January 1, 1993;

19 (2) one-eighth of one percent of the gross  
20 receipts of the person engaging in business if the tax is  
21 initially imposed after January 1, 1993; [and]

22 (3) a rate not to exceed one-half of one  
23 percent of the gross receipts of the person engaging in  
24 business if the tax is imposed after July 1, 1996 in a county  
25 described in Paragraph [~~(4)~~ or] (6) of Subsection A of Section

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1 7-20C-2 NMSA 1978; provided the tax may be imposed in any  
2 number of increments of one-eighth percent not to exceed an  
3 aggregate rate of one-half of one percent of gross receipts;  
4 and

5 (4) a rate not to exceed one percent of the  
6 gross receipts of the person engaging in business if the tax  
7 is imposed on or after July 1, 2001 in a county described in  
8 Paragraph (4) of Subsection A of Section 7-20C-2 NMSA 1978;  
9 provided, the tax may be imposed in any number of increments  
10 of one-eighth percent, not to exceed an aggregate rate of one  
11 percent.

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

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

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

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

23           D. The governing body of a county enacting an  
24 ordinance imposing a local hospital gross receipts tax shall  
25 dedicate the revenue from the tax as provided in this

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1 subsection. In any election held, the ballot shall clearly  
2 state the purpose to which the revenue will be dedicated and  
3 the revenue shall be used by the county for that purpose. The  
4 revenues shall be dedicated as follows:

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

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

24 (3) if the governing body of a county  
25 described in Paragraph (4) of Subsection A of Section 7-20C-2

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1 NMSA 1978 is enacting the ordinance imposing the tax after  
2 July 1, 1995, the governing body shall dedicate the revenue  
3 for acquisition of land or buildings for and the renovation,  
4 design, construction, equipping or furnishing of a county  
5 hospital facility or health clinic to be operated by the  
6 county or operated and maintained by another party pursuant to  
7 a lease or management contract with the county; and

8 (4) if the governing body of a county  
9 described in Paragraph (6) of Subsection A of Section 7-20C-2  
10 NMSA 1978 is enacting the ordinance imposing the tax after  
11 July 1, 1997, the governing body shall dedicate the revenue  
12 for either or a combination of the following:

13 (a) acquisition of land or buildings  
14 for and the design, construction, renovation, equipping or  
15 furnishing of a hospital facility or health clinic owned by  
16 the county or a hospital or health clinic with whom the county  
17 has entered into a health care facilities contract; or

18 (b) operations and maintenance of a  
19 hospital or health clinic owned by the county or a hospital or  
20 health clinic with whom the county has entered into a health  
21 care facilities contract.

22 E. The ordinance shall not go into effect until  
23 after an election is held and a simple majority of the  
24 qualified electors of the county voting in the election votes  
25 in favor of imposing the local hospital gross receipts tax

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1 and, in the case of a county described in Paragraph (3) or (5)  
2 of Subsection A of Section 7-20C-2 NMSA 1978, also votes in  
3 favor of a property tax at a rate of one dollar (\$1.00) for  
4 each one thousand dollars (\$1,000) of taxable value of  
5 property in the county. The governing body shall adopt a  
6 resolution calling for an election within seventy-five days of  
7 the date the ordinance is adopted on the question of imposing  
8 the tax. The question may be submitted to the qualified  
9 electors and voted [~~upon~~] on as a separate question in a  
10 general election or in any special election called for that  
11 purpose by the governing body. A special election [~~upon~~] on  
12 the question shall be called, held, conducted and canvassed in  
13 substantially the same manner as provided by law for general  
14 elections. If the question of imposing a local hospital gross  
15 receipts tax fails or if the question of imposing both a local  
16 hospital gross receipts tax and a property tax fails, the  
17 governing body shall not again propose a local hospital gross  
18 receipts tax for a period of one year after the election. A  
19 certified copy of any ordinance imposing a local hospital  
20 gross receipts tax shall be mailed to the department within  
21 five days after the ordinance is adopted in [~~any~~] an election  
22 called for that purpose.

23 F. [~~Any~~] An ordinance enacted pursuant to the  
24 provisions of Subsection A of this section shall include an  
25 effective date of either July 1 or January 1, whichever date

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1 occurs first after the expiration of at least three months  
2 from the date the ordinance is approved by the electorate.

3 G. ~~[Any]~~ An ordinance repealed under the  
4 provisions of the Local Hospital Gross Receipts Tax Act shall  
5 be repealed effective on either July 1 or January 1.

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

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

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

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

17 (4) the taxable value of copper mineral  
18 property, as those terms are defined in the Copper Production  
19 Ad Valorem Tax Act, subject to taxation under the Copper  
20 Production Ad Valorem Tax Act. "

21 Section 3. Section 7-20E-12.1 NMSA 1978 (being Laws  
22 1994, Chapter 14, Section 1, as amended) is amended to read:

23 "7-20E-12.1. COUNTY HOSPITAL EMERGENCY GROSS RECEIPTS  
24 TAX--AUTHORITY TO IMPOSE--USE OF PROCEEDS.--

25 A. A majority of the members of a governing body

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1 may enact an ordinance imposing an excise tax on a person  
2 engaging in business in the county for the privilege of  
3 engaging in business. The rate of the tax shall be one-fourth  
4 of one percent of the gross receipts of the person engaging in  
5 business. The tax shall be imposed for a period of not more  
6 than two years from the effective date of the ordinance  
7 imposing the tax. The tax may be imposed for an additional  
8 period not to exceed three years from the date of the  
9 ordinance imposing the tax for that period. On or after July  
10 1, 1997:

11 (1) in a county described in Paragraph (1) of  
12 Subsection D of this section, the tax may be imposed for the  
13 period necessary for payment of bonds or a loan for  
14 acquisition, equipping, remodeling or improvement of a county  
15 hospital facility, or for remodeling and improvements  
16 necessary for the conversion of the facility to another local  
17 government use, but the period shall not exceed twenty years  
18 from the effective date of the ordinance imposing the tax for  
19 that period; and

20 (2) in a county described in Paragraph (2) of  
21 Subsection D of this section, the tax may be imposed for the  
22 period necessary for payment of bonds or a loan for  
23 acquisition, equipping, remodeling or improvement of a county  
24 health facility, but the period shall not exceed twenty years  
25 from the effective date of the ordinance imposing the tax for

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1 that period.

2 B. The tax imposed by this section may be referred  
3 to as the "county hospital emergency gross receipts tax".

4 C. At the time of enacting the ordinance imposing  
5 the tax authorized in this section:

6 (1) if the effective date of the tax is prior  
7 to July 1, 1997, the governing body shall dedicate the revenue  
8 for current operations and maintenance of a hospital owned by  
9 the county or a hospital with which the county has entered  
10 into a health care facilities contract; provided that a  
11 majority of the members of a governing body may enact an  
12 ordinance to change the purposes for which the revenue from a  
13 previously imposed tax is dedicated and to dedicate that  
14 revenue during the remainder of the tax imposition period to  
15 payment of bonds or a loan for acquisition, equipping,

16 remodeling or improvement of a county hospital facility; and

17 (2) if the effective date of the tax is on or  
18 after July 1, 1997:

19 (a) the governing body of a county  
20 described in Paragraph (1) of Subsection D of this section  
21 shall dedicate the revenue for the period of time the tax is  
22 imposed to payment of a bond or loan for acquisition,  
23 equipping, remodeling and improvement of a county hospital  
24 facility; provided that a majority of the members of a  
25 governing body may enact an ordinance to change the purposes

underscored material = new  
[bracketed material] = delete

1 for which the revenue from a previously imposed tax is  
2 dedicated and include as an additional purpose the payment of  
3 bonds or a loan for remodeling and improvements necessary for  
4 the conversion of a county hospital facility to another local  
5 government use; and

6 (b) the governing body of county  
7 described in Paragraph (2) of Subsection D of this section  
8 shall dedicate the revenue for the period of time the tax is  
9 imposed to payment of a bond or loan for acquisition,  
10 equipping, remodeling and improvement of a county health  
11 facility.

12 D. As used in this section, "county" means:

13 (1) a class B county with a population of  
14 less than ten thousand according to the 1990 federal decennial  
15 census and with a net taxable value for rate-setting purposes  
16 for the 1993 property tax year in excess of one hundred  
17 million dollars (\$100,000,000); or

18 (2) a class B county with a population of  
19 less than ten thousand according to the 1990 federal decennial  
20 census and with a net taxable value for rate-setting purposes  
21 for the 1997 property tax year of more than one hundred  
22 million dollars (\$100,000,000) but less than one hundred  
23 twenty million dollars (\$120,000,000). "