

AN ACT

RELATING TO TAXATION; PROVIDING THAT CERTAIN RECEIPTS MAY BE DISTRIBUTED TO THE SOLE COMMUNITY PROVIDER FUND; DECLARING AN EMERGENCY.

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

Section 1. Section 7-1-6.13 NMSA 1978 (being Laws 1983, Chapter 211, Section 18, as amended) is amended to read:

"7-1-6.13. TRANSFER--REVENUES FROM COUNTY LOCAL OPTION GROSS RECEIPTS TAXES.--

A. Except as provided in Subsections B and C of this section, a transfer pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each county for which the department is collecting a local option gross receipts tax imposed by that county in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to the net receipts attributable to the local option gross receipts tax imposed by that county, less any deduction for administrative cost determined and made by the department pursuant to the provisions of the act authorizing imposition by that county of the local option gross receipts tax and any additional administrative fee withheld pursuant to Subsection C of Section 7-1-6.41 NMSA 1978.

B. A transfer pursuant to this section may be adjusted for a distribution made to a tax increment

development district with respect to a portion of a gross receipts tax increment dedicated by a county pursuant to the Tax Increment for Development Act.

C. Through June 30, 2009, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the sole community provider fund from revenue attributable to the county gross receipts tax imposed by a county pursuant to Section 7-20E-9 NMSA 1978, subject to the approval of the board of county commissioners of that county. The distribution shall be in an amount equal to one-twelfth of the county's annual approved contribution for support of sole community provider payments. Revenue in excess of the amount required for the contribution shall be transferred to the county pursuant to the provisions of Subsection A of this section."

Section 2. Section 7-20E-7 NMSA 1978 (being Laws 1993, Chapter 354, Section 7, as amended) is amended to read:

"7-20E-7. COLLECTION BY DEPARTMENT--TRANSFER OF PROCEEDS--DEDUCTIONS.--

A. The department shall collect each tax imposed pursuant to the provisions of the County Local Option Gross Receipts Taxes Act in the same manner and at the same time it collects the state gross receipts tax.

B. The department shall withhold an administrative fee pursuant to Section 7-1-6.41 NMSA 1978. Except as

provided in Subsection C of this section, the department shall transfer to each county for which it is collecting a tax pursuant to the provisions of the County Local Option Gross Receipts Taxes Act the amount of each tax collected for that county, less the administrative fee withheld and less any disbursements for tax credits, refunds and the payment of interest applicable to the tax. The transfer to the county shall be made within the month following the month in which the tax is collected.

C. Through June 30, 2009, with respect to revenue attributable to imposition by a county of the county gross receipts tax pursuant to Section 7-20E-9 NMSA 1978, the department shall, subject to the approval of the board of county commissioners of that county, distribute monthly to the sole community provider fund an amount equal to one-twelfth of the county's approved annual contribution for support of sole community provider payments. Revenue in excess of the amount required for the contribution shall be transferred to the county pursuant to the provisions of Subsection B of this section."

Section 3. Section 7-20E-9 NMSA 1978 (being Laws 1983, Chapter 213, Section 30, as amended) is amended to read:

"7-20E-9. COUNTY GROSS RECEIPTS TAX--AUTHORITY TO IMPOSE RATE--INDIGENT FUND REQUIREMENTS.--

A. A majority of the members of the governing body

of a county may enact an ordinance imposing an excise tax not to exceed a rate of seven-sixteenths percent of the gross receipts of any person engaging in business in the county for the privilege of engaging in business in the county. An ordinance imposing an excise tax pursuant to this section shall impose the tax in three independent increments of one-eighth percent and one independent increment of one-sixteenth percent, which shall be separately denominated as "the first one-eighth increment", "the second one-eighth increment", "the third one-eighth increment" and "the one-sixteenth increment", respectively, not to exceed an aggregate amount of seven-sixteenths percent.

B. The tax authorized in Subsection A of this section is to be referred to as the "county gross receipts tax".

C. A class A county with a county hospital operated and maintained pursuant to a lease with a state educational institution named in Article 12, Section 11 of the constitution of New Mexico enacting the second one-eighth increment of county gross receipts tax shall provide, each year that the tax is in effect, not less than one million dollars (\$1,000,000) in funds, and that amount shall be dedicated to the support of indigent patients who are residents of that county. Funds for indigent care shall be made available each month of each year the tax is in effect in

an amount not less than eighty-three thousand three hundred thirty-three dollars thirty-three cents (\$83,333.33). The interest from the investment of county funds for indigent care may be used for other assistance to indigent persons, not to exceed twenty thousand dollars (\$20,000) for all other assistance in any year.

D. A county, except a class A county with a county hospital operated and maintained pursuant to a lease with a state educational institution named in Article 12, Section 11 of the constitution of New Mexico, imposing the second one-eighth increment of county gross receipts tax shall be required to dedicate the entire amount of revenue produced by the imposition of the second one-eighth increment for the support of indigent patients who are residents of that county. The revenue produced by the imposition of the third one-eighth increment and the one-sixteenth increment may be used for general purposes. Any county that has imposed the second one-eighth increment or the third one-eighth increment, or both, on January 1, 1996 for support of indigent patients in the county or after January 1, 1996 imposes the second one-eighth increment or imposes the third one-eighth increment and dedicates one-half of that increment for county indigent patient purposes shall deposit the revenue dedicated for county indigent purposes that is transferred to the county after the distribution pursuant to Subsection C of Section

7-1-6.13 and Subsection C of Section 7-20E-7 NMSA 1978 in the county indigent hospital claims fund and such revenues shall be expended pursuant to the Indigent Hospital and County Health Care Act."

Section 4. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.
