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HOUSE BILL 188

**51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

INTRODUCED BY

William "Bill" R. Rehm

AN ACT

RELATING TO TAXATION; REDUCING THE PROPERTY TAX LEVY FOR CLASS  
A COUNTY HOSPITAL FUNDING.

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

SECTION 1. Section 4-48B-12 NMSA 1978 (being Laws 1981,  
Chapter 83, Section 12, as amended) is amended to read:

"4-48B-12. TAX LEVIES AUTHORIZED.--

A. The county commissioners are authorized to  
impose a mill levy and collect annual assessments against the  
net taxable value of the property in a county to pay the cost  
of operating and maintaining county hospitals or to pay to  
contracting hospitals in accordance with a health care  
facilities contract and in class A counties to pay for the  
county's transfer to the county-supported medicaid fund  
pursuant to Section 27-10-4 NMSA 1978 as follows:

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1 (1) in class A counties as defined in Section  
2 4-44-1 NMSA 1978, the mill levy shall not exceed a rate of [~~six~~  
3 ~~dollars fifty cents (\$6.50)~~] one dollar (\$1.00), or any lower  
4 maximum amount required by operation of the rate limitation  
5 provisions of Section 7-37-7.1 NMSA 1978 upon a mill levy  
6 imposed pursuant to this paragraph, on each one thousand  
7 dollars (\$1,000) of net taxable value of property allocated to  
8 the county; however, if the county uses any portion, not to  
9 exceed [~~one dollar fifty cents (\$1.50)~~] twenty-three cents  
10 (\$.23), of the rate authorized by this paragraph to meet the  
11 requirement of Section 27-10-4 NMSA 1978, the provisions of  
12 Section 7-37-7.1 NMSA 1978 do not apply to the portion of the  
13 rate necessary to produce the revenues required; provided that  
14 the portion of the rate does not exceed [~~one dollar fifty cents~~  
15 ~~(\$1.50)~~] twenty-three cents (\$.23); and

16 (2) in other counties, the mill levy shall not  
17 exceed four dollars twenty-five cents (\$4.25), or any lower  
18 maximum amount required by operation of the rate limitation  
19 provisions of Section 7-37-7.1 NMSA 1978 upon a mill levy  
20 imposed pursuant to this paragraph, on each one thousand  
21 dollars (\$1,000) of net taxable value of property allocated to  
22 the county.

23 B. The mill levies provided in Paragraphs (1) and  
24 (2) of Subsection A of this section shall be made at the  
25 direction of the county commissioners, but only to the extent

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1 that the county commissioners deem it necessary to operate and  
2 maintain county hospitals, to pay the amounts required in the  
3 performance of any health care facilities contracts made  
4 pursuant to the Hospital Funding Act and to provide for a class  
5 A county's transfer to the county-supported medicaid fund  
6 pursuant to Section 27-10-4 NMSA 1978.

7 C. In the event that the mill levy provided for in  
8 Paragraph (1) of Subsection A of this section is not authorized  
9 by the electorate or the resulting mill levy proceeds are not  
10 remitted to the entity operating the hospital within a  
11 reasonable time period, any lease for operation of the hospital  
12 between a county and a state educational institution named in  
13 Article 12, Section 11 of the constitution of New Mexico may,  
14 at the option of the state educational institution, be  
15 terminated immediately. Except as provided in Subsection D of  
16 this section, in the event that the mill levy provided for in  
17 Paragraph (1) of Subsection A of this section is authorized, an  
18 amount not less than the amount that would be produced by a  
19 mill levy at the rate of [~~four dollars (\$4.00)~~] sixty-one cents  
20  (\$.61), or any lower amount that would be required by operation  
21 of the rate limitation provisions of Section 7-37-7.1 NMSA 1978  
22 upon this rate, on each one thousand dollars (\$1,000) of net  
23 taxable value of property allocated to the county shall be  
24 provided from the proceeds of the mill levy to the state  
25 educational institution operating the hospital for hospital

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1 purposes unless the institution determines that the amount is  
2 not necessary.

3 D. A class A county imposing the mill levy provided  
4 for in Paragraph (1) of Subsection A of this section may enter  
5 into a mutual agreement with a state educational institution  
6 named in Article 12, Section 11 of the constitution of New  
7 Mexico operating the hospital permitting the transfer to the  
8 county-supported medicaid fund by the county pursuant to  
9 Section 27-10-4 NMSA 1978 of not to exceed the amount that  
10 would be produced by a mill levy at a rate of [~~one dollar fifty~~  
11 ~~cents (\$1.50)~~] twenty-three cents (\$.23) applied to the net  
12 taxable value of property allocated to the county for the prior  
13 property tax year and also not to exceed the amount that would  
14 be produced by imposition of the county health care gross  
15 receipts tax.

16 E. The distribution of the mill levy authorized at  
17 the rates specified in Subsection A of this section shall be  
18 made to county and contracting hospitals as authorized in the  
19 Hospital Funding Act."

20 SECTION 2. APPLICABILITY.--The provisions of this act  
21 apply to the 2015 and subsequent property tax years.