

HOUSE BILL 220

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

Susan K. Herrera

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO PUBLIC FINANCE; CLARIFYING THE DEFINITION OF "HOSPITAL CARE FACILITIES CONTRACT" IN THE HOSPITAL FUNDING ACT; ALLOWING THE ISSUANCE OF CERTAIN BONDS FOR HHHC→CERTAIN←HHHC COUNTY SKILLED NURSING AND REHABILITATION HOSPITALS; ENACTING THE 2021 PUBLIC SECURITIES VALIDATION ACT; VALIDATING, RATIFYING, APPROVING AND CONFIRMING CERTAIN PUBLIC SECURITIES; DECLARING AN EMERGENCY.

.219376.1AIC February 22, 2021 (4:00pm)

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

SECTION 1. Section 4-48B-3 NMSA 1978 (being Laws 1981, Chapter 83, Section 3, as amended) is amended to read:

"4-48B-3. DEFINITIONS.--As used in the Hospital Funding Act:

A. "another political subdivision" means a political subdivision of New Mexico, including a municipality and a special hospital district organized under the Special Hospital District Act, but not including a county;

B. "class A county" means a county having a population of more than two hundred thousand persons according to the last federal decennial census;

C. "contracting hospital" means a hospital located in New Mexico that enters into a health care facilities contract with a county or counties or another political subdivision;

D. "county" means any county of the state;

E. "county commissioners" means the board of county commissioners of a county;

F. "county hospital" means a hospital owned by a county;

G. "health care facilities contract" means an agreement between a hospital, including a skilled nursing and rehabilitation hospital HHHC→that is located within a class B county with a population between thirty-seven thousand and forty-one thousand according to the most recent federal

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~~decennial census~~ ←HHHC , and a county or counties, or between a hospital, including a skilled nursing and rehabilitation hospital HHHC → that is located within a class B county with a population between thirty-seven thousand and forty-one thousand according to the most recent federal decennial census ←HHHC , and a county or counties and another political subdivision, that provides for the payment by the county or counties of all or a portion of the proceeds of a mill levy to the hospital in exchange for the agreement by the hospital to use the funds only for nonsectarian purposes and to make available the following for the sick of the county or counties:

(1) hospital facilities that admit and treat patients without regard to race, sex, religion or national origin;

(2) hospital facilities that include x-ray, laboratory services and a pharmacy or drug room;

(3) adequate emergency equipment, personnel and procedures, including:

(a) a standby emergency power system;

(b) at least one person capable and authorized to initiate immediate lifesaving measures;

(c) facilities for emergency laboratory work, including, as a minimum, urinalysis, complete blood count, blood type and cross match; and

(d) diagnostic radiographic facilities;

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(4) facilities, procedures and policies for prevention, control and reporting of communicable diseases, including one or more rooms for isolation of patients having or suspected of having communicable diseases;

(5) adequate records, including, as a minimum, a daily census and a register of all births, deliveries, deaths, admissions, emergency room admissions, discharges, operations, outpatients, inpatients and narcotics; and

(6) physical facilities, personnel, equipment and procedures that comply with the regulations promulgated by the public health division of the department of health; or

(7) for a skilled nursing and rehabilitation hospital HHHC→that is located within a class B county with a population between thirty-seven thousand and forty-one thousand according to the most recent federal decennial census←HHHC :

(a) facilities that admit and treat patients without regard to race, sex, religion or national origin;

(b) facilities having adequate emergency equipment, personnel and procedures, including a standby emergency power system;

(c) present at all times, at least one person capable and authorized to initiate immediate lifesaving measures;

(d) facilities, procedures and policies

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for prevention, control and reporting of cases of suspected communicable diseases and arrangements in place for immediate transfer to a hospital;

(e) adequate records, including, at a minimum, a daily census and a register of admissions, discharges or transfers; and

(f) facilities with personnel, equipment and procedures to provide skilled nursing care or treatment, including bed and board, physical therapy, occupational therapy, speech therapy, social services, medications and supplies medically necessary for patient rehabilitation in compliance with the regulations of the department of health;

H. "hospital governing board" means the board that governs a county hospital or the board of directors or trustees of a contracting hospital;

I. "mill levy" means the rate of the tax, at a rate specified in the Hospital Funding Act, in terms of dollars per thousand dollars of net taxable value of property subject to taxation within the county;

J. "municipality" means any city, town or village incorporated under a general act, special act or special charter; and

K. "equipping" or "re-equipping" means purchase or lease of property of a character subject to the allowance for depreciation under Section 167 of the Internal Revenue Code of

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1986, as amended or renumbered, and regulations promulgated in accordance with that section."

SECTION 2. Section 4-48B-5 NMSA 1978 (being Laws 1947, Chapter 148, Section 1, as amended) is amended to read:

"4-48B-5. POWER OF COUNTIES.--All counties shall have the following powers:

- A. to purchase, own, maintain and operate hospitals;
- B. to purchase the land necessary to construct hospitals;
- C. to control and regulate county hospitals;
- D. to construct county hospitals;
- E. to issue general obligation bonds and revenue bonds in the manner provided in the Hospital Funding Act for the construction, purchase, renovation, remodeling, equipping or re-equipping of a county hospital, ~~[or]~~ a jointly owned county-municipal hospital or a county skilled nursing and rehabilitation hospital ~~HHHC~~→that is located within a class B county with a population between thirty-seven thousand and forty-one thousand according to the most recent federal decennial census←HHHC and purchasing the land necessary therefor or for any combination of the foregoing purposes;
- F. to charge for hospital services rendered and to reduce any charge made for care of a patient in whole or part when the charges are determined to be disputed in good faith or

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uncollectible;

G. to lease a hospital to any person, corporation or association for the operation and maintenance of the hospital upon terms and conditions as the county commissioners may determine;

H. to contract with the state, another county or counties, the federal government or its agencies, another political subdivision or a public or private corporation, organization or association for the care of the sick of the county;

I. to receive all funds appropriated from whatever source or paid by or on behalf of any patient of the hospital;

J. notwithstanding any other provision of law, to enter into leases, management or operating contracts, health care facilities contracts and other agreements authorized by the Hospital Funding Act for periods in excess of one year; provided that:

(1) the contract, lease or agreement may be terminated by the county without cause upon one hundred eighty days' notice after the first three years of the contract; and

(2) Paragraph (1) of this subsection shall not apply during the portion of a lease term in which a lessee is obligated under the lease to make debt service payments on revenue bonds that finance all or part of the hospital or equipment for the hospital;

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K. to authorize the hospital governing board of a county hospital to exercise all powers that the county is granted by the Hospital Funding Act except the powers to issue bonds, call a mill levy election and levy the annual assessments for the mill levy authorized by the Hospital Funding Act;

L. to enter into a health care facilities contract with one or more hospitals that agree to provide facilities to the sick of the county;

M. to call a mill levy election as authorized by the Hospital Funding Act and to collect and distribute the proceeds of the mill levy pursuant to that act;

N. to distribute the proceeds of the mill levy authorized by the Hospital Funding Act to one or more county hospitals and one or more contracting hospitals or any combination thereof that provide facilities for the sick of the county, whether located within or without the county wherein the mill levy is collected;

O. to accept grants for constructing, equipping, operating and maintaining a county hospital;

P. to enter into an agreement with a municipality for constructing, equipping, operating and maintaining a jointly owned county-municipal hospital;

Q. to enter into an agreement with another county or counties, another county or counties and another political



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subdivision, an agency of the federal government or any other person, corporation, organization or association that provides that the parties to the agreement shall join together or form a legal entity for the purpose of making some or all purchases necessary for the operation of public hospitals or public and private hospitals subject to provisions of or exemptions from the Procurement Code;

R. to enter into an agreement with another county or counties, another political subdivision, an agency of the federal government or any other person, corporation, organization or association that provides that parties to the agreement shall join together or form a legal entity for the purpose of creating a network of health care providers or jointly operating a common health care service, subject to provisions of or exemptions from the Procurement Code;

S. to expend public money to recruit health care personnel to serve the sick of the county; and

T. to perform any other act or adopt any regulation necessary or expedient to carry out the provisions of the Hospital Funding Act."

**SECTION 3.** [NEW MATERIAL] SHORT TITLE.--Sections 3 through 7 of this act may be cited as the "2021 Public Securities Validation Act".

**SECTION 4.** [NEW MATERIAL] DEFINITIONS.--As used in the 2021 Public Securities Validation Act:

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A. "public body" of the state means any state educational institution or other state institution, its board of regents or other governing body thereof constituting a body corporate, any county, city, town, village, school district, irrigation district, drainage district, conservancy district, sanitation district, water district, commission, authority or other political subdivision of the state constituting a body corporate;

B. "public security" means a bond, note certificate of indebtedness or other obligation for the payment of money issued by this state or by any public body thereof; and

C. "state" means the state of New Mexico and any board, commission, department, corporation, instrumentality or agency thereof.

SECTION 5. [NEW MATERIAL] VALIDATION.--All outstanding public securities of the state and of all public bodies thereof, and all acts and proceedings heretofore had or taken, or purportedly had or taken, by or on behalf of the state or any public body thereof under law or color of law preliminary to and in the authorization, execution, sale, issuance and payment, or any combination thereof, of all such public securities are hereby validated, ratified, approved and confirmed, including but not necessarily limited to, the terms, provisions, conditions and covenants of any resolution or ordinance appertaining thereto, the redemption or refunding of

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public securities before maturity and provisions therefor, including defeasance and discharge of liens arising from or existing by virtue of public securities redeemed or refunded, the levy and collection of rates, tolls and charges, special assessments, and general and other taxes, and the acquisition and application of other revenues, the pledge and use of the proceeds thereof, and the establishment of liens thereon and funds therefore, appertaining to such public securities, except as hereinafter provided, notwithstanding any lack of power, authority or otherwise, and notwithstanding any defects and irregularities in such public securities, acts and proceedings, and in such authorization, execution, sale, issuance and payment, including, without limiting the generality of the foregoing, such acts and proceedings appertaining to such public securities all or any part of which have heretofore not been issued nor purportedly issued. Such outstanding public securities are and shall be, and such public securities heretofore not issued nor purportedly issued shall be, after their issuance, binding, legal, valid and enforceable obligations of the state or the public body issuing them in accordance with their terms and their authorizing proceedings, subject to the taking or adoption of acts and proceedings heretofore not had nor taken, nor purportedly had nor taken, but required by and in substantial and due compliance with laws appertaining to any such public securities heretofore not

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issued nor purportedly issued.

**SECTION 6.** [NEW MATERIAL] EFFECT AND LIMITATIONS.--The 2021 Public Securities Validation Act shall operate to supply such legislative authority as may be necessary to validate any public securities heretofore issued and any such acts and proceedings heretofore taken that the legislature could have supplied or provided for or can now supply or provide for in the law under which such public securities were issued and such acts or proceedings were taken. The 2021 Public Securities Validation Act, however, shall be limited to the validation of public securities, acts and proceedings to the extent to which the same can be effectuated under the state and federal constitutions.

**SECTION 7.** [NEW MATERIAL] CONSTRUCTION.--This act being necessary to secure the public health, safety, convenience and welfare, it shall be liberally construed to effect its purposes.

**SECTION 8.** EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.