

HOUSE BILL 220

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

INTRODUCED BY

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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 COUNTY SKILLED
NURSING AND REHABILITATION HOSPITALS; ENACTING THE 2021 PUBLIC
SECURITIES VALIDATION ACT; VALIDATING, RATIFYING, APPROVING AND
CONFIRMING CERTAIN PUBLIC SECURITIES; DECLARING AN EMERGENCY.

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

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1 Hospital District Act, but not including a county;

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

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

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

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

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

14 G. "health care facilities contract" means an
15 agreement between a hospital, including a skilled nursing and
16 rehabilitation hospital, and a county or counties, or between a
17 hospital, including a skilled nursing and rehabilitation
18 hospital, and a county or counties and another political
19 subdivision, that provides for the payment by the county or
20 counties of all or a portion of the proceeds of a mill levy to
21 the hospital in exchange for the agreement by the hospital to
22 use the funds only for nonsectarian purposes and to make
23 available the following for the sick of the county or counties:

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

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1 origin;

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

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

6 (a) a standby emergency power system;

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

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

12 (d) diagnostic radiographic facilities;

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

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

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

24 (7) for a skilled nursing and rehabilitation
25 hospital:

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

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

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

10 (d) facilities, procedures and policies
11 for prevention, control and reporting of cases of suspected
12 communicable diseases and arrangements in place for immediate
13 transfer to a hospital;

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

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

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

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

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

8 K. "equipping" or "re-equipping" means purchase or
9 lease of property of a character subject to the allowance for
10 depreciation under Section 167 of the Internal Revenue Code of
11 1986, as amended or renumbered, and regulations promulgated in
12 accordance with that section."

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

15 "4-48B-5. POWER OF COUNTIES.--All counties shall have the
16 following powers:

17 A. to purchase, own, maintain and operate
18 hospitals;

19 B. to purchase the land necessary to construct
20 hospitals;

21 C. to control and regulate county hospitals;

22 D. to construct county hospitals;

23 E. to issue general obligation bonds and revenue
24 bonds in the manner provided in the Hospital Funding Act for
25 the construction, purchase, renovation, remodeling, equipping

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1 or re-equipping of a county hospital, ~~[or]~~ a jointly owned
2 county-municipal hospital or a county skilled nursing and
3 rehabilitation hospital and purchasing the land necessary
4 therefor or for any combination of the foregoing purposes;

5 F. to charge for hospital services rendered and to
6 reduce any charge made for care of a patient in whole or part
7 when the charges are determined to be disputed in good faith or
8 uncollectible;

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

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

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

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

25 (1) the contract, lease or agreement may be

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1 terminated by the county without cause upon one hundred eighty
2 days' notice after the first three years of the contract; and

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

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

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

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

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

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

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

6 Q. to enter into an agreement with another county
7 or counties, another county or counties and another political
8 subdivision, an agency of the federal government or any other
9 person, corporation, organization or association that provides
10 that the parties to the agreement shall join together or form a
11 legal entity for the purpose of making some or all purchases
12 necessary for the operation of public hospitals or public and
13 private hospitals subject to provisions of or exemptions from
14 the Procurement Code;

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

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

25 T. to perform any other act or adopt any regulation

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1 necessary or expedient to carry out the provisions of the
2 Hospital Funding Act."

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

6 SECTION 4. [NEW MATERIAL] DEFINITIONS.--As used in the
7 2021 Public Securities Validation Act:

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

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

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

22 SECTION 5. [NEW MATERIAL] VALIDATION.--All outstanding
23 public securities of the state and of all public bodies
24 thereof, and all acts and proceedings heretofore had or taken,
25 or purportedly had or taken, by or on behalf of the state or

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1 any public body thereof under law or color of law preliminary
2 to and in the authorization, execution, sale, issuance and
3 payment, or any combination thereof, of all such public
4 securities are hereby validated, ratified, approved and
5 confirmed, including but not necessarily limited to, the terms,
6 provisions, conditions and covenants of any resolution or
7 ordinance appertaining thereto, the redemption or refunding of
8 public securities before maturity and provisions therefor,
9 including defeasance and discharge of liens arising from or
10 existing by virtue of public securities redeemed or refunded,
11 the levy and collection of rates, tolls and charges, special
12 assessments, and general and other taxes, and the acquisition
13 and application of other revenues, the pledge and use of the
14 proceeds thereof, and the establishment of liens thereon and
15 funds therefore, appertaining to such public securities, except
16 as hereinafter provided, notwithstanding any lack of power,
17 authority or otherwise, and notwithstanding any defects and
18 irregularities in such public securities, acts and proceedings,
19 and in such authorization, execution, sale, issuance and
20 payment, including, without limiting the generality of the
21 foregoing, such acts and proceedings appertaining to such
22 public securities all or any part of which have heretofore not
23 been issued nor purportedly issued. Such outstanding public
24 securities are and shall be, and such public securities
25 heretofore not issued nor purportedly issued shall be, after

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1 their issuance, binding, legal, valid and enforceable
2 obligations of the state or the public body issuing them in
3 accordance with their terms and their authorizing proceedings,
4 subject to the taking or adoption of acts and proceedings
5 heretofore not had nor taken, nor purportedly had nor taken,
6 but required by and in substantial and due compliance with laws
7 appertaining to any such public securities heretofore not
8 issued nor purportedly issued.

9 SECTION 6. [NEW MATERIAL] EFFECT AND LIMITATIONS.--The
10 2021 Public Securities Validation Act shall operate to supply
11 such legislative authority as may be necessary to validate any
12 public securities heretofore issued and any such acts and
13 proceedings heretofore taken that the legislature could have
14 supplied or provided for or can now supply or provide for in
15 the law under which such public securities were issued and such
16 acts or proceedings were taken. The 2021 Public Securities
17 Validation Act, however, shall be limited to the validation of
18 public securities, acts and proceedings to the extent to which
19 the same can be effectuated under the state and federal
20 constitutions.

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

25 SECTION 8. EMERGENCY.--It is necessary for the public

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1 peace, health and safety that this act take effect immediately.

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