

1 SENATE BILL 205

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

4 Roberto "Bobby" J. Gonzales and Kristina Ortez

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10 AN ACT

11 RELATING TO TAXATION; ENACTING THE COUNTY HOSPITAL GROSS
12 RECEIPTS TAX.

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

15 SECTION 1. A new section of the County Local Option Gross
16 Receipts and Compensating Taxes Act is enacted to read:

17 "[NEW MATERIAL] COUNTY HOSPITAL GROSS RECEIPTS TAX--
18 AUTHORITY TO IMPOSE--RATE--ELECTION--USE OF REVENUE.--

19 A. Upon submission of a resolution to the governing
20 body pursuant to Subsection D of this section, the governing
21 body of a county shall enact an ordinance imposing or
22 reimposing an excise tax at a rate of one-half percent on any
23 person engaging in business in the county for the privilege of
24 engaging in business in the county. The tax imposed pursuant
25 to this section may be referred to as the "county hospital

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1 gross receipts tax".

2 B. The governing body, at the time of enacting an
3 ordinance imposing a tax pursuant to this section, shall
4 dedicate:

5 (1) twenty-five percent of the revenue to
6 support a nursing program administered by a state university or
7 branch of a state university within the boundaries of the
8 county; and

9 (2) the remainder of the revenue for the
10 payment of gross receipts tax bonds for hospital capital
11 projects in the county. The tax shall be imposed for the
12 period necessary for payment of the principal and interest on
13 the revenue bonds issued to accomplish the purpose for which
14 the revenue is dedicated, but the period shall not exceed ten
15 years from the effective date of the ordinance imposing the
16 tax.

17 C. The governing body may reimpose a county
18 hospital gross receipts tax to be effective upon termination of
19 a previously imposed county hospital gross receipts tax by
20 following the procedures set forth in this section.

21 D. An ordinance imposing the county hospital gross
22 receipts tax shall not go into effect until after an election
23 is held and a majority of the voters in the county voting in
24 the election votes in favor of imposing the tax. The governing
25 body shall adopt a resolution calling for an election on the

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1 question of imposing the tax. The election shall be held
2 pursuant to the Local Election Act. If a majority of the
3 voters voting on the question approves the ordinance imposing
4 the tax, then the ordinance shall become effective in
5 accordance with the provisions of the County Local Option Gross
6 Receipts and Compensating Taxes Act. If the question of
7 imposing the tax fails, the governing body shall not again
8 propose the imposition of the tax for a period of one year from
9 the date of the election.

10 E. The proceeds from revenue bonds issued for
11 purposes provided by this section shall be administered by the
12 governing body for the purposes authorized in this section and
13 as set out in the resolution submitted by the boards to the
14 governing body.

15 F. As used in this section:

16 (1) "capital projects" means the designing,
17 constructing and equipping of hospital buildings; the
18 remodeling, renovating or making additions to and equipping
19 existing hospital buildings; or the improving or equipping of
20 the grounds of hospital buildings; and

21 (2) "county" means a class B county with a
22 population of less than thirty-seven thousand according to the
23 most recent federal decennial census and a net taxable value
24 for property tax purposes of more than one billion five hundred
25 ninety million dollars (\$1,590,000,000) but less than two

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1 billion dollars (\$2,000,000,000)."

2 SECTION 2. EFFECTIVE DATE.--The effective date of the
3 provisions of this act is July 1, 2023.

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