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SENATE BILL 452

**44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999**

INTRODUCED BY

Michael S. Sanchez

AN ACT

RELATING TO INDIGENT CARE; ALLOWING COUNTIES TO USE ONE-EIGHTH OF THE COUNTY GROSS RECEIPTS TAX FOR HEALTH AND SAFETY PURPOSES UNDER CERTAIN CIRCUMSTANCES; CHANGING PURPOSES FOR WHICH COUNTY INDIGENT HOSPITAL CLAIMS FUNDS MAY BE USED.

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

Section 1. 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 three-eighths of one 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

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1 ordinance imposing an excise tax pursuant to this section  
2 shall impose the tax in independent increments of one-eighth  
3 percent, which shall be separately denominated as "first one-  
4 eighth", "second one-eighth" and "third one-eighth",  
5 respectively, not to exceed an aggregate amount of three-  
6 eighths percent.

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

10 C. A class A county with a county hospital  
11 operated and maintained pursuant to a lease with a state  
12 educational institution named in Article 12, Section 11 of the  
13 constitution of New Mexico enacting the second one-eighth  
14 increment of county gross receipts tax shall provide, each  
15 year that the tax is in effect, not less than one million  
16 dollars (\$1,000,000) in funds, and that amount shall be  
17 dedicated to the support of indigent patients who are  
18 residents of that county. Funds for indigent care shall be  
19 made available each month of each year the tax is in effect in  
20 an amount not less than eighty-three thousand three hundred  
21 thirty-three dollars thirty-three cents (\$83,333.33). The  
22 interest from the investment of county funds for indigent care  
23 may be used for other assistance to indigent persons, not to  
24 exceed twenty thousand dollars (\$20,000) for all other  
25 assistance in any year.

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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~~ ] may 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~~ ] health or safety purposes; provided that the county maintain a balance in the county indigent hospital claims fund equal to one hundred ten percent of the previous year's expenditures from the fund. The revenue produced by the imposition of the third one-eighth 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 in the county indigent hospital claims fund and such revenues shall be expended pursuant to the Indigent Hospital and County Health Care Act. "

Section 2. Section 24-13-3 NMSA 1978 (being Laws 1939, Chapter 224, Section 3, as amended) is amended to read:

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1 "24-13-3. EXPENSES FOR BURIAL. --The expenses for the  
2 burial or cremation of an indigent person may be paid by the  
3 county ~~[out of]~~ from the general fund or from the county  
4 indigent hospital claims fund in an amount up to six hundred  
5 dollars (\$600) for the burial of any adult or minor."

6 Section 3. Section 27-5-2 NMSA 1978 (being Laws 1965,  
7 Chapter 234, Section 2, as amended) is amended to read:

8 "27-5-2. PURPOSE OF INDIGENT HOSPITAL AND COUNTY HEALTH  
9 CARE ACT. --The purpose of the Indigent Hospital and County  
10 Health Care Act is:

11 A. to recognize that the individual county of this  
12 state is the responsible agency for ambulance transportation  
13 or the hospital care or the provision of health care to  
14 indigent patients domiciled in that county for at least three  
15 months or for such period of time, not in excess of three  
16 months, as determined by resolution of the board of county  
17 commissioners, and to provide a means whereby each county can  
18 discharge this responsibility through a system of payments to  
19 ambulance providers, hospitals or health care providers for  
20 the care and treatment of, or the provision of health care  
21 services to, indigent patients;

22 B. to recognize that the counties of the state are  
23 also responsible for supporting indigent patients by providing  
24 local revenues to match federal funds for the state medicaid  
25 program, including the provision of matching funds for

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1 payments to sole community provider hospitals [ ~~and the~~  
2 ~~transfer of funds to the county supported medicaid fund~~  
3 ~~pursuant to the Statewide Health Care Act; and~~];

4 C. to recognize that the counties of the state can  
5 improve the provision of health care to indigent patients by  
6 providing local revenues for countywide or multicounty health  
7 planning; and

8 D. to recognize that the counties of the state are  
9 responsible for the burial or cremation of indigent persons  
10 and that a county's fund may be used to pay the burial or  
11 cremation costs of indigent persons. "

12 Section 4. Section 27-5-7 NMSA 1978 (being Laws 1965,  
13 Chapter 234, Section 7, as amended) is amended to read:

14 "27-5-7. COUNTY INDIGENT HOSPITAL CLAIMS FUND. --

15 A. There is created in the county treasury of each  
16 county a "county indigent hospital claims fund".

17 B. Collections under the levy made pursuant to the  
18 Indigent Hospital and County Health Care Act and all payments  
19 shall be placed into the fund, and the amount placed in the  
20 fund shall be budgeted and expended only for the purposes  
21 specified in the Indigent Hospital and County Health Care Act,  
22 by warrant upon vouchers approved by a majority of the board  
23 and signed by the chairman of the board. Payments for  
24 indigent hospitalizations shall not be made from any other  
25 county fund.

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1 C. The fund shall be audited in the manner that  
2 other state and county funds are audited, and all records of  
3 payments and verified statements of qualification upon which  
4 payments were made from the fund shall be open to the public.

5 D. Any balance remaining in the fund at the end of  
6 the fiscal year [~~pursuant to Subsection F of this section~~]  
7 shall carry over into the ensuing year, and that balance shall  
8 be taken into consideration in the determination of the  
9 ensuing year's budget and certification of need for purposes  
10 of making a tax levy.

11 E. Money may be transferred to the fund from other  
12 sources, but no transfers may be made from the fund for any  
13 purpose other than those specified in the Indigent Hospital  
14 and County Health Care Act.

15 [~~F. On June 30 of each fiscal year, beginning in  
16 2000, the board shall transfer to the county-supported  
17 medicaid fund that amount of the balance in the county  
18 indigent hospital claims fund that exceeds two hundred  
19 thousand dollars (\$200,000) or that exceeds the amount equal  
20 to thirty percent of the income to the fund during that fiscal  
21 year, whichever is greater. Any amount transferred to the  
22 county-supported medicaid fund pursuant to this subsection is  
23 in addition to the county's obligation pursuant to Section  
24 27-10-4 NMSA 1978. ]"~~

25 Section 5. Section 27-5-7.1 NMSA 1978 (being Laws 1993,  
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Chapter 321, Section 16) is amended to read:

"27-5-7. 1. COUNTY INDIGENT HOSPITAL CLAIMS FUND--  
AUTHORIZED USES OF THE FUND. --

A. The fund shall be used:

(1) to meet the county's contribution for support of sole community provider payments as calculated by the department for that county; and

(2) to pay all claims that have been approved by the board that are not matched with federal funds under the state medicaid program.

B. The fund may be used to meet the county's obligations [~~under Section 27-10-4~~] pursuant to the Statewide Health Care Act and Section 24-13-3 NMSA 1978.

~~[C. Until June 30, 1996, the cash reserves from the fund may be used to meet the county's obligation under Section 27-10-4 NMSA 1978.]"~~