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SENATE BILL 353

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO TAXATION; AUTHORIZING IMPOSITION OF THE COUNTY
HOSPITAL EMERGENCY GROSS RECEIPTS TAX FOR AN ADDITIONAL
PURPOSE IN AN ADDITIONAL COUNTY; AMENDING SECTIONS OF THE
NMSA 1978; DECLARING AN EMERGENCY.

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

Section 1. Section 4-62-1 NMSA 1978 (being Laws 1992,
Chapter 95, Section 1, as amended) is amended to read:

"4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF
REVENUES--LIMITATION ON TIME OF ISSUANCE.--

A. In addition to any other law authorizing a
county to issue revenue bonds, a county may issue revenue
bonds pursuant to Chapter 4, Article 62 NMSA 1978 for the
purposes specified in this section. The term "pledged
revenues", as used in Chapter 4, Article 62 NMSA 1978, means
the revenues, net income or net revenues authorized to be

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1 pledged to the payment of particular revenue bonds as
2 specifically provided in Subsections B through K of this
3 section.

4 B. Gross receipts tax revenue bonds may be issued
5 for one or more of the following purposes:

6 (1) constructing, purchasing, furnishing,
7 equipping, rehabilitating, making additions to or making
8 improvements to one or more public buildings or purchasing or
9 improving ground relating thereto, including but not
10 necessarily limited to acquiring and improving parking lots,
11 or any combination of the foregoing;

12 (2) acquiring or improving county or public
13 parking lots, structures or facilities or any combination of
14 the foregoing;

15 (3) purchasing, acquiring or rehabilitating
16 firefighting equipment or any combination of the foregoing;

17 (4) acquiring, extending, enlarging,
18 bettering, repairing, otherwise improving or maintaining
19 storm sewers and other drainage improvements, sanitary
20 sewers, sewage treatment plants, water utilities or other
21 water, wastewater or related facilities, including but not
22 limited to the acquisition of rights of way and water and
23 water rights or any combination of the foregoing;

24 (5) reconstructing, resurfacing,
25 maintaining, repairing or otherwise improving existing
alleys, streets, roads or bridges or any combination of the
foregoing or laying off, opening, constructing or otherwise

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1 acquiring new alleys, streets, roads or bridges or any
2 combination of the foregoing; provided that any of the
3 foregoing improvements may include the acquisition of rights
4 of way;

5 (6) purchasing, acquiring, constructing,
6 making additions to, enlarging, bettering, extending or
7 equipping airport facilities or any combination of the
8 foregoing, including without limitation the acquisition of
9 land, easements or rights of way;

10 (7) purchasing or otherwise acquiring or
11 clearing land or purchasing, otherwise acquiring and
12 beautifying land for open space;

13 (8) acquiring, constructing, purchasing,
14 equipping, furnishing, making additions to, renovating,
15 rehabilitating, beautifying or otherwise improving public
16 parks, public recreational buildings or other public
17 recreational facilities or any combination of the foregoing;

18 (9) acquiring, constructing, extending,
19 enlarging, bettering, repairing or otherwise improving or
20 maintaining solid waste disposal equipment, equipment for
21 operation and maintenance of sanitary landfills, sanitary
22 landfills, solid waste facilities or any combination of the
23 foregoing; or

24 (10) acquiring, constructing, extending,
25 bettering, repairing or otherwise improving public transit
systems or any regional transit systems or facilities.

A county may pledge irrevocably any or all of the

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1 revenue from the first one-eighth of one percent increment
2 and the third one-eighth of one percent increment of the
3 county gross receipts tax and the county infrastructure gross
4 receipts tax for payment of principal and interest due in
5 connection with, and other expenses related to, gross
6 receipts tax revenue bonds for any of the purposes authorized
7 in this section or specific purposes or for any area of
8 county government services. If the revenue from the first
9 one-eighth of one percent increment or the third one-eighth
10 of one percent increment of the county gross receipts tax or
11 the county infrastructure gross receipts tax is pledged for
12 payment of principal and interest as authorized by this
13 subsection, the pledge shall require the revenues received
14 from that increment of the county gross receipts tax or the
15 county infrastructure gross receipts tax to be deposited into
16 a special bond fund for payment of the principal, interest
17 and expenses. At the end of each fiscal year, money
18 remaining in the special bond fund after the annual
19 obligations for the bonds are fully met may be transferred to
20 any other fund of the county.

21 Revenues in excess of the annual principal and interest
22 due on gross receipts tax revenue bonds secured by a pledge
23 of gross receipts tax revenue may be accumulated in a debt
24 service reserve account. The governing body of the county
25 may appoint a commercial bank trust department to act as
trustee of the proceeds of the tax and to administer the
payment of principal of and interest on the bonds.

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C. Fire protection revenue bonds may be issued for acquiring, extending, enlarging, bettering, repairing, improving, constructing, purchasing, furnishing, equipping or rehabilitating any independent fire district project or facilities, including where applicable purchasing, otherwise acquiring or improving the ground for the project, or any combination of such purposes. A county may pledge irrevocably any or all of the county fire protection excise tax revenue for payment of principal and interest due in connection with, and other expenses related to, fire protection revenue bonds. These bonds may be referred to in Chapter 4, Article 62 NMSA 1978 as "fire protection revenue bonds".

D. Environmental revenue bonds may be issued for the acquisition and construction of solid waste facilities, water facilities, wastewater facilities, sewer systems and related facilities. A county may pledge irrevocably any or all of the county environmental services gross receipts tax revenue for payment of principal and interest due in connection with, and other expenses related to, environmental revenue bonds. These bonds may be referred to in Chapter 4, Article 62 NMSA 1978 as "environmental revenue bonds".

E. Gasoline tax revenue bonds may be issued for the acquisition of rights of way for and the construction, reconstruction, resurfacing, maintenance, repair or other improvement of county roads and bridges. A county may pledge irrevocably any or all of the county gasoline tax revenue for

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1 payment of principal and interest due in connection with, and
2 other expenses related to, county gasoline tax revenue bonds.
3 These bonds may be referred to in Chapter 4, Article 62 NMSA
4 1978 as "gasoline tax revenue bonds".

5 F. Utility revenue bonds or joint utility revenue
6 bonds may be issued for acquiring, extending, enlarging,
7 bettering, repairing or otherwise improving water facilities,
8 sewer facilities, gas facilities or electric facilities or
9 for any combination of the foregoing purposes. A county may
10 pledge irrevocably any or all of the net revenues from the
11 operation of the utility or joint utility for which the
12 particular utility or joint utility bonds are issued to the
13 payment of principal and interest due in connection with, and
14 other expenses related to, utility or joint utility revenue
15 bonds. These bonds may be referred to in Chapter 4, Article
16 62 NMSA 1978 as "utility revenue bonds" or "joint utility
17 revenue bonds".

18 G. Project revenue bonds may be issued for
19 acquiring, extending, enlarging, bettering, repairing,
20 improving, constructing, purchasing, furnishing, equipping or
21 rehabilitating any revenue-producing project, including as
22 applicable purchasing, otherwise acquiring or improving the
23 ground therefor and including but not limited to acquiring
24 and improving parking lots, or may be issued for any
25 combination of the foregoing purposes. The county may pledge
irrevocably any or all of the net revenues from the operation
of the revenue-producing project for which the particular

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1 project revenue bonds are issued to the payment of the
2 interest on and principal of the project revenue bonds. The
3 net revenues of any revenue-producing project may not be
4 pledged to the project revenue bonds issued for any other
5 revenue-producing project that is clearly unrelated in
6 nature; but nothing in this subsection prevents the pledge to
7 any of the project revenue bonds of the revenues received
8 from existing, future or disconnected facilities and
9 equipment that are related to and that may constitute a part
10 of the particular revenue-producing project. A general
11 determination by the governing body that facilities or
12 equipment is reasonably related to and constitute a part of a
13 specified revenue-producing project shall be conclusive if
14 set forth in the proceedings authorizing the project revenue
15 bonds. As used in Chapter 4, Article 62 NMSA 1978:

16 (1) "project revenue bonds" means the bonds
17 authorized in this subsection; and

18 (2) "project revenues" means the net
19 revenues of revenue-producing projects that may be pledged to
20 project revenue bonds pursuant to this subsection.

21 H. Fire district revenue bonds may be issued for
22 acquiring, extending, enlarging, bettering, repairing,
23 improving, constructing, purchasing, furnishing, equipping
24 and rehabilitating any fire district project, including where
25 applicable purchasing, otherwise acquiring or improving the
ground therefor, or for any combination of the foregoing
purposes. The county may pledge irrevocably any or all of

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1 the revenues received by the fire district from the fire
2 protection fund as provided in the Fire Protection Fund Law
3 and any or all of the revenues provided for the operation of
4 the fire district project for which the particular bonds are
5 issued to the payment of the interest on and principal of the
6 bonds. The revenues of a fire district project shall not be
7 pledged to the bonds issued for a fire district project that
8 clearly is unrelated in its purpose; but nothing in this
9 section prevents the pledge to such bonds of revenues
10 received from existing, future or disconnected facilities and
11 equipment that are related to and that may constitute a part
12 of the particular fire district project. A general
13 determination by the governing body of the county that
14 facilities or equipment is reasonably related to and
15 constitute a part of a specified fire district project shall
16 be conclusive if set forth in the proceedings authorizing
17 the fire district bonds.

18 I. Law enforcement protection revenue bonds may be
19 issued for the repair and purchase of law enforcement
20 apparatus and equipment that meet nationally recognized
21 standards. The county may pledge irrevocably any or all of
22 the revenues received by the county from the law enforcement
23 protection fund distributions pursuant to the Law Enforcement
24 Protection Fund Act to the payment of the interest on and
25 principal of the law enforcement protection revenue bonds.

J. Hospital emergency gross receipts tax revenue
bonds may be issued for acquisition, equipping, remodeling or

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1 improvement of a county hospital or county health facility.
2 A county may pledge irrevocably, to the payment of the
3 interest on and principal of the hospital emergency gross
4 receipts tax revenue bonds, any or all of the revenues
5 received by the county from a county hospital emergency gross
6 receipts tax imposed pursuant to Section 7-20E-12.1 NMSA 1978
7 and dedicated to payment of bonds or a loan for acquisition,
8 equipping, remodeling or improvement of a county hospital or
9 county health facility.

10 K. Economic development gross receipts tax revenue
11 bonds may be issued for the purpose of furthering economic
12 development projects as defined in the Local Economic
13 Development Act. A county may pledge irrevocably any or all
14 of the county infrastructure gross receipts tax to the
15 payment of the interest on and principal of the economic
16 development gross receipts tax revenue bonds for any of the
17 purposes authorized in this subsection.

18 L. Except for the purpose of refunding previous
19 revenue bond issues, no county may sell revenue bonds payable
20 from pledged revenue after the expiration of two years from
21 the date of the ordinance authorizing the issuance of the
22 bonds or, for bonds to be issued and sold to the New Mexico
23 finance authority as authorized in Subsection C of Section
24 4-62-4 NMSA 1978, after the expiration of two years from the
25 date of the resolution authorizing the issuance of the bonds.
However, any period of time during which a particular revenue
bond issue is in litigation shall not be counted in

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1 determining the expiration date of that issue.

2 M. No bonds may be issued by a county, other than
3 an H class county, a class B county as defined in Section
4 4-36-8 NMSA 1978 or a class A county as described in Section
5 4-36-10 NMSA 1978, to acquire, equip, extend, enlarge,
6 better, repair or construct a utility unless the utility is
7 regulated by the public regulation commission pursuant to the
8 Public Utility Act and the issuance of the bonds is approved
9 by the commission. For purposes of Chapter 4, Article 62
10 NMSA 1978, a "utility" includes but is not limited to a
11 water, wastewater, sewer, gas or electric utility or joint
12 utility serving the public. H class counties shall obtain
13 public regulation commission approvals required by Section 3-
14 23-3 NMSA 1978.

15 N. Any law that imposes or authorizes the
16 imposition of a county gross receipts tax, a county
17 environmental services gross receipts tax, a county fire
18 protection excise tax, a county infrastructure gross receipts
19 tax, the gasoline tax or the county hospital emergency gross
20 receipts tax, or that affects any of those taxes, shall not
21 be repealed or amended in such a manner as to impair
22 outstanding revenue bonds that are issued pursuant to Chapter
23 4, Article 62 NMSA 1978 and that may be secured by a pledge
24 of those taxes unless the outstanding revenue bonds have been
25 discharged in full or provision has been fully made therefor.

O. As used in this section:

(1) "county infrastructure gross receipts

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1 tax revenue" means the revenue from the county infrastructure
2 gross receipts tax transferred to the county pursuant to
3 Section 7-1-6.13 NMSA 1978;

4 (2) "county environmental services gross
5 receipts tax revenue" means the revenue from the county
6 environmental services gross receipts tax transferred to the
7 county pursuant to Section 7-1-6.13 NMSA 1978;

8 (3) "county fire protection excise tax
9 revenue" means the revenue from the county fire protection
10 excise tax transferred to the county pursuant to Section
11 7-1-6.13 NMSA 1978;

12 (4) "county gross receipts tax revenue"
13 means the revenue attributable to the first one-eighth of one
14 percent and the third one-eighth of one percent increments of
15 the county gross receipts tax transferred to the county
16 pursuant to Section 7-1-6.13 NMSA 1978 and any distribution
17 related to the first one-eighth of one percent made pursuant
18 to Section 7-1-6.16 NMSA 1978;

19 (5) "gasoline tax revenue" means the revenue
20 from that portion of the gasoline tax distributed to the
21 county pursuant to Sections 7-1-6.9 and 7-1-6.26 NMSA 1978;
22 and

23 (6) "public building" includes but is not
24 limited to fire stations, police buildings, county or
25 regional jails, county or regional juvenile detention
facilities, libraries, museums, auditoriums, convention
halls, hospitals, buildings for administrative offices,

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1 courthouses and garages for housing, repairing and
2 maintaining county vehicles and equipment.

3 P. As used in Chapter 4, Article 62 NMSA 1978,
4 the term "bond" means any obligation of a county issued under
5 Chapter 4, Article 62 NMSA 1978, whether designated as a
6 bond, note, loan, warrant, debenture, lease-purchase
7 agreement or other instrument evidencing an obligation of a
8 county to make payments."

9
10 Section 2. Section 7-20E-12.1 NMSA 1978 (being Laws
11 1994, Chapter 14, Section 1, as amended) is amended to read:

12 "7-20E-12.1. COUNTY HOSPITAL EMERGENCY GROSS RECEIPTS
13 TAX--AUTHORITY TO IMPOSE--USE OF PROCEEDS.--

14 A. A majority of the members of a governing body
15 may enact an ordinance imposing an excise tax on ~~[any]~~ a
16 person engaging in business in the county for the privilege
17 of engaging in business. The rate of the tax shall be one-
18 fourth of one percent of the gross receipts of the person
19 engaging in business. The tax shall be imposed for a period
20 of not more than two years from the effective date of the
21 ordinance imposing the tax. The tax may be imposed for an
22 additional period not to exceed three years from the date of
23 the ordinance imposing the tax for that period. On or after
24 July 1, 1997, the tax may be imposed for ~~[an additional]~~ the
25 period necessary for payment of bonds or a loan for
acquisition, equipping, remodeling or improvement of a county
hospital or county health facility, but the period shall not

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1 exceed twenty years from the effective date of the ordinance
2 imposing the tax for that period.

3 B. The tax imposed by this section may be referred
4 to as the "county hospital emergency gross receipts tax".

5 C. At the time of enacting the ordinance imposing
6 the tax authorized in this section:

7 (1) if the effective date of the tax is
8 prior to July 1, 1997, the governing body shall dedicate the
9 revenue for current operations and maintenance of a hospital
10 owned by the county or a hospital with ~~[whom]~~ which the
11 county has entered into a health care facilities contract;
12 provided that a majority of the members of a governing body
13 may enact an ordinance to change the purposes for which the
14 revenue from a previously imposed tax is dedicated and to
15 dedicate that revenue during the remainder of the tax
16 imposition period to payment of bonds or a loan for
17 acquisition, equipping, remodeling or improvement of a county
18 hospital facility; and

19 (2) if the effective date of the tax is on
20 or after July 1, 1997, the governing body shall dedicate the
21 revenue for the period of time the tax is imposed to payment
22 of a bond or loan for acquisition, equipping, remodeling and
23 improvement of a county hospital or county health facility.

24 D. As used in this section, "county" means a
25 class B county with a population of less than ten thousand
according to the 1990 federal decennial census and with a net
taxable value for rate-setting purposes for the 1993 or 1997

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1 property tax year in excess of one hundred million dollars
2 (\$100,000,000)."

3 Section 3. EMERGENCY.--It is necessary for the public
4 peace, health and safety that this act take effect
5 immediately.

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