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AN ACT
RELATING TO TAXATION; PROVIDING FOR A PROPERTY TAX EXEMPTION
FOR CERTAIN HEALTH-RELATED EQUIPMENT.

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

Section 1. Section 7-36-3 NMSA 1978 (being Laws 1975,
Chapter 218, Section 1, as amended) is amended to read:

"7-36-3. INDUSTRIAL REVENUE BOND, POLLUTION CONTROL
BOND AND ECONOMIC DEVELOPMENT BOND PROJECT PROPERTY--
HEALTH-RELATED EQUIPMENT--TAX STATUS.--

A. Property interests of a lessee in project
property held under a lease from a county or a municipality
under authority of an industrial revenue bond or pollution
control revenue bond act or the Statewide Economic
Development Finance Act are exempt from property taxation for
as long as there is an outstanding bonded indebtedness under
the terms of the revenue bonds issued for the acquisition of
the project property, but in no event for a period of more
than thirty years from the date of execution of the first
lease of the project to the lessee by the county or
municipality.

B. Property interests of a person, other than a
public utility, arising out of the purchase of a project
authorized by the Industrial Revenue Bond Act, the County
Industrial Revenue Bond Act, the Pollution Control Revenue

1 Bond Act or the Statewide Economic Development Finance Act
2 are exempt from property taxation for as long as the project
3 purchaser remains liable to the project seller for any part
4 of the purchase price, but not to exceed thirty years from
5 the date of execution of the sale agreement.

6 C. Property interests of a participating health
7 facility in health-related equipment purchased, acquired,
8 leased, financed or refinanced with the proceeds of bonds
9 issued under the Hospital Equipment Loan Act are exempt from
10 property taxation for as long as the participating health
11 facility remains liable for any amount under any lease, loan
12 or other agreement securing the bonds, but not to exceed
13 thirty years from the date the bonds were issued for the
14 health-related equipment.

15 D. The exemptions from property taxation under
16 this section are not cumulative; provided, however, that the
17 exemptions may be applied consecutively if subsequent
18 exemptions relate to the financing of a new project or new
19 health-related equipment."

20 Section 2. Section 58-23-5 NMSA 1978 (being Laws 1983,
21 Chapter 290, Section 5, as amended) is amended to read:

22 "58-23-5. COUNCIL--CREATED--MEMBERS--QUALIFICATIONS--
23 BOARD.--

24 A. There is created a public body politic and
25 corporate, separate and apart from the state, constituting a

1 governmental instrumentality to be known as the "New Mexico
2 hospital equipment loan council" for the performance of
3 essential public functions.

4 B. The council shall be governed by a board of
5 directors consisting of five members. The governor, with the
6 advice and consent of the senate, shall appoint the members
7 of the board.

8 C. Each member of the board shall be a resident of
9 the state, and in addition:

10 (1) two members shall be officers or
11 directors of financial institutions located in New Mexico;

12 (2) two members shall be officers or
13 directors of a health facility located in New Mexico. Such
14 members shall have been employed for a total of five years as
15 officers or directors of any health facility;

16 (3) one member shall be appointed from and
17 represent the public and shall not be directly or indirectly
18 affiliated with any health facility; and

19 (4) no more than three members shall be of
20 the same political party.

21 D. The council shall be separate and apart from
22 the state and shall not be subject to the supervision or
23 control of any board, bureau, department or agency of the
24 state except as specifically provided in the Hospital
25 Equipment Loan Act. In order to effectuate the separation of

1 the state from the council, no use of the terms "state
2 agency" or "instrumentality" in any other law of the state
3 shall be deemed to refer to the council unless the council is
4 specifically referred to therein, except that the council is
5 a state agency and instrumentality for the purposes of
6 Article 8, Section 3 of the constitution of New Mexico."

7 Section 3. Section 58-23-29 NMSA 1978 (being Laws 1983,
8 Chapter 290, Section 29, as amended) is amended to read:

9 "58-23-29. EXEMPTION FROM TAXATION--ASSETS TO STATE
10 UPON DISSOLUTION.--

11 A. All property acquired or held by the council
12 under the Hospital Equipment Loan Act, income therefrom and
13 bonds issued under the Hospital Equipment Loan Act, plus the
14 interest payable and income derived from the bonds, shall be
15 exempt from taxation by the state or any subdivision thereof.
16 Upon dissolution of the council, its assets, after payment of
17 its indebtedness, shall inure to the benefit of the state.

18 B. All health-related equipment purchased,
19 acquired, leased, financed or refinanced with the proceeds of
20 bonds issued under the Hospital Equipment Loan Act is exempt
21 from property taxation for as long as the participating
22 health facility remains liable for any amount under any
23 lease, loan or other agreement securing the bonds, but not to
24 exceed thirty years from the date the bonds were issued for
25 the health-related equipment."

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Section 4. APPLICABILITY.--The provisions of this act
are applicable to property tax years beginning on or after
January 1, 2006.