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HOUSE BILL 841

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Jim R. Trujillo

AN ACT

RELATING TO HEALTH; AUTHORIZING THE DEPARTMENT OF HEALTH TO ASSESS A FEE ON CERTAIN HOSPITALS TO FACILITATE MAXIMUM FEDERAL FUNDING FOR SOLE COMMUNITY PROVIDER HOSPITALS.

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

Section 1. [NEW MATERIAL] HOSPITAL PATIENT GROSS REVENUE FEE.--

A. At the beginning of each fiscal year, the department of health shall identify all counties:

(1) in which a hospital is located that is designated as a sole community provider by the centers for medicare and medicaid services; and

(2) that in the previous fiscal year failed to transfer to the sole community provider fund sufficient revenue to match fully the federal funds available in the sole

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1 community provider base and supplemental allocation for the
2 hospital.

3 B. When a county is identified pursuant to
4 Subsection A of this section, the department of health shall
5 assess a fee on the sole community provider hospital in that
6 county of two percent of the gross patient revenues of that
7 hospital for the previous fiscal year. The fee pursuant to
8 this section may be referred to as the "hospital patient gross
9 revenue fee". The hospital patient gross revenue fee shall be
10 administered and enforced by the taxation and revenue
11 department pursuant to the provisions of the Tax Administration
12 Act.

13 Section 2. Section 7-1-2 NMSA 1978 (being Laws 1965,
14 Chapter 248, Section 2, as amended) is amended to read:

15 "7-1-2. APPLICABILITY.--The Tax Administration Act
16 applies to and governs:

17 A. the administration and enforcement of the
18 following taxes or tax acts as they now exist or may hereafter
19 be amended:

- 20 (1) Income Tax Act;
- 21 (2) Withholding Tax Act;
- 22 (3) Venture Capital Investment Act;
- 23 (4) Gross Receipts and Compensating Tax Act
- 24 and any state gross receipts tax;
- 25 (5) Liquor Excise Tax Act;

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- 1 (6) Local Liquor Excise Tax Act;
- 2 (7) any municipal local option gross receipts
- 3 tax;
- 4 (8) any county local option gross receipts
- 5 tax;
- 6 (9) Special Fuels Supplier Tax Act;
- 7 (10) Gasoline Tax Act;
- 8 (11) petroleum products loading fee, which fee
- 9 shall be considered a tax for the purpose of the Tax
- 10 Administration Act;
- 11 (12) Alternative Fuel Tax Act;
- 12 (13) Cigarette Tax Act;
- 13 (14) Estate Tax Act;
- 14 (15) Railroad Car Company Tax Act;
- 15 (16) Investment Credit Act, rural job tax
- 16 credit, Laboratory Partnership with Small Business Tax Credit
- 17 Act, Technology Jobs Tax Credit Act, film production tax
- 18 credit, New Mexico filmmaker tax credit, Affordable Housing Tax
- 19 Credit Act, high-wage jobs tax credit and Research and
- 20 Development Small Business Tax Credit Act;
- 21 (17) Corporate Income and Franchise Tax Act;
- 22 (18) Uniform Division of Income for Tax
- 23 Purposes Act;
- 24 (19) Multistate Tax Compact;
- 25 (20) Tobacco Products Tax Act; and

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1 (21) the telecommunications relay service
2 surcharge imposed by Section 63-9F-11 NMSA 1978, which
3 surcharge shall be considered a tax for the purposes of the Tax
4 Administration Act;

5 B. the administration and enforcement of the
6 following taxes, surtaxes, advanced payments or tax acts as
7 they now exist or may hereafter be amended:

- 8 (1) Resources Excise Tax Act;
9 (2) Severance Tax Act;
10 (3) any severance surtax;
11 (4) Oil and Gas Severance Tax Act;
12 (5) Oil and Gas Conservation Tax Act;
13 (6) Oil and Gas Emergency School Tax Act;
14 (7) Oil and Gas Ad Valorem Production Tax Act;
15 (8) Natural Gas Processors Tax Act;
16 (9) Oil and Gas Production Equipment Ad
17 Valorem Tax Act;
18 (10) Copper Production Ad Valorem Tax Act;
19 (11) any advance payment required to be made
20 by any act specified in this subsection, which advance payment
21 shall be considered a tax for the purposes of the Tax
22 Administration Act;
23 (12) Enhanced Oil Recovery Act;
24 (13) Natural Gas and Crude Oil Production
25 Incentive Act; and

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1 (14) intergovernmental production tax credit
2 and intergovernmental production equipment tax credit;

3 C. the administration and enforcement of the
4 following taxes, surcharges, fees or acts as they now exist or
5 may hereafter be amended:

6 (1) Weight Distance Tax Act;

7 (2) the workers' compensation fee authorized
8 by Section 52-5-19 NMSA 1978, which fee shall be considered a
9 tax for purposes of the Tax Administration Act;

10 (3) Uniform Unclaimed Property Act (1995);

11 (4) 911 emergency surcharge and the network
12 and database surcharge, which surcharges shall be considered
13 taxes for purposes of the Tax Administration Act;

14 (5) the solid waste assessment fee authorized
15 by the Solid Waste Act, which fee shall be considered a tax for
16 purposes of the Tax Administration Act;

17 (6) the water conservation fee imposed by
18 Section 74-1-13 NMSA 1978, which fee shall be considered a tax
19 for the purposes of the Tax Administration Act; [and]

20 (7) the hospital patient gross revenue fee,
21 which fee shall be considered a tax for purposes of the Tax
22 Administration Act; and

23 [~~(7)~~] (8) the gaming tax imposed pursuant to
24 the Gaming Control Act; and

25 D. the administration and enforcement of all other

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1 laws, with respect to which the department is charged with
2 responsibilities pursuant to the Tax Administration Act, but
3 only to the extent that the other laws do not conflict with the
4 Tax Administration Act."

5 Section 3. A new section of the Tax Administration Act is
6 enacted to read:

7 "[NEW MATERIAL] DISTRIBUTION OF HOSPITAL GROSS PATIENT
8 REVENUE FEE.--A distribution pursuant to Section 7-1-6.1 NMSA
9 1978 of the net receipts attributable to the hospital patient
10 gross revenue fee shall be made to the sole community provider
11 fund."

12 Section 4. Section 27-5-6.1 NMSA 1978 (being Laws 1993,
13 Chapter 321, Section 18) is amended to read:

14 "27-5-6.1. SOLE COMMUNITY PROVIDER FUND CREATED.--

15 A. The "sole community provider fund" is created in
16 the state treasury. The sole community provider fund, which
17 shall be administered by the [~~human services~~] department, shall
18 consist of funds provided by counties to match federal funds
19 for medicaid sole community provider hospital payments and
20 funds from the hospital patient gross revenue fee. Money in
21 the fund shall be invested by the state treasurer as other
22 state funds are invested. Any unexpended or unencumbered
23 balance remaining in the fund at the end of any fiscal year
24 shall not revert.

25 B. Subject to the provisions of Subsection C of
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1 this section, money in the sole community provider fund is
2 appropriated to the [~~human services~~] department to make sole
3 community provider hospital payments pursuant to the state
4 medicaid program.

5 C. Money in the sole community provider fund
6 attributable to the hospital patient gross revenue fee is
7 appropriated to the department to match the base or
8 supplemental sole community provider allocation on behalf of
9 any county that has imposed the second one-eighth increment of
10 the county gross receipts tax but has not fully matched the
11 base and supplemental sole community provider allocation. If
12 more than one county qualifies for the match pursuant to this
13 subsection, the amount of a county's match shall bear the same
14 relationship to the total amount available for county matches
15 pursuant to this subsection as the amount attributable to the
16 hospital patient gross revenue fee paid by a hospital in that
17 county bears to the total amount attributable to the fee paid
18 by hospitals in the state.

19 D. No sole community provider hospital payments or
20 money in the sole community provider fund shall be used to
21 supplant any general fund support for the state medicaid
22 program.

23 [~~C.~~] E. Money in the sole community provider fund
24 shall be remitted back to the individual counties from which it
25 came if federal medicaid matching funds are not received for

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1 medicaid sole community provider hospital payments."

2 Section 5. EFFECTIVE DATE.--The effective date of the
3 provisions of this act is July 1, 2009.

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