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HOUSE BILL 99

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Jose A. Campos

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO EMERGENCY SERVICES; AMENDING SECTIONS OF THE
EMERGENCY MEDICAL SERVICES FUND ACT; AMENDING SECTIONS OF THE
TRAUMA SYSTEM FUND AUTHORITY ACT; AMENDING SECTIONS OF CHAPTER
59A, ARTICLE 6 NMSA 1978; MAKING AN APPROPRIATION.

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

Section 1. Section 24-10A-3 NMSA 1978 (being Laws 1978,
Chapter 178, Section 3, as amended by Laws 2001, Chapter 258,
Section 3 and by Laws 2001, Chapter 273, Section 3) is amended
to read:

"24-10A-3. EMERGENCY MEDICAL SERVICES FUND CREATED--
FUNDING.--

A. The "emergency medical services fund" is created
in the state treasury. Money in the fund shall not revert at
the end of any fiscal year. Money appropriated to the fund or
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1 accruing to it through distributions from the emergency
2 services insurance premium surtax imposed pursuant to
3 Subsection D of Section 59A-6-2 NMSA 1978 as well as any other
4 gifts, grants, fees or bequests shall be deposited in the fund.
5 Interest earned on investment of the fund shall be credited to
6 the general fund. Money in the fund is appropriated to the
7 department, and disbursements from the fund shall be made upon
8 warrants drawn by the secretary of finance and administration
9 pursuant to vouchers signed by the secretary of health or ~~[his]~~
10 the secretary's authorized representative.

11 B. The bureau shall administer the fund and provide
12 for the distribution of the fund pursuant to the Emergency
13 Medical Services Fund Act and rules adopted pursuant to the
14 provisions of that act.

15 C. In any fiscal year, no less than ~~[seventy-five]~~
16 sixty-one percent of the money in the fund shall be used for
17 the local emergency medical services funding program to support
18 the cost of supplies and equipment and operational costs other
19 than salaries and benefits for emergency medical services
20 personnel. This money shall be distributed to municipalities
21 and counties on behalf of eligible local recipients, using a
22 formula established pursuant to rules adopted by the
23 department. The formula shall determine each municipality's
24 and county's share of the fund based on the relative geographic
25 size and population of each county. The formula shall also

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1 base the distribution of money for each municipality and county
2 on the relative number of runs of each local recipient eligible
3 to participate in the distribution.

4 D. In any fiscal year, no more than:

5 (1) [~~twenty-two~~] eighteen percent of the fund
6 may be used for emergency medical services system improvement
7 projects, including the purchase of emergency medical services
8 vehicles, local and statewide emergency medical services system
9 support projects [~~the statewide trauma care system program~~] and
10 the emergency medical dispatch agency support program; [~~and~~]

11 (2) [~~three~~] four percent of the fund may be
12 used by the bureau [~~and emergency medical services regional~~
13 ~~offices~~] for administrative costs, including monitoring and
14 providing technical assistance and data collection program
15 implementation; and

16 (3) seventeen percent of the fund shall be
17 used to contract with nonprofit emergency medical services
18 offices to fund the operational costs associated with regional
19 planning and development, technical assistance and support and
20 coordination of emergency medical services in their respective
21 geographic regions, unless the department shows good cause for
22 not contracting for these services.

23 E. In any fiscal year, money in the fund that is
24 not distributed pursuant to the provisions of Subsection D of
25 this section may be distributed pursuant to the provisions of

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1 Subsection C of this section."

2 Section 2. Section 24-10E-6 NMSA 1978 (being Laws 2006,
3 Chapter 13, Section 6) is amended to read:

4 "24-10E-6. TRAUMA SYSTEM FUND CREATED--FUNDING.--

5 A. The "trauma system fund" is created in the state
6 treasury. The fund shall consist of distributions from the
7 emergency services insurance premium surtax imposed pursuant to
8 Subsection D of Section 59A-6-2 NMSA 1978 as well as any other
9 money appropriated and transferred to the fund, money received
10 by the authority from any public or private source and tax
11 revenues distributed to the fund by law. Interest earned on
12 investment of the fund shall be credited to the fund.

13 Disbursements from the fund shall be made upon warrants drawn
14 by the secretary of finance and administration pursuant to
15 vouchers signed by the secretary of health or the secretary's
16 authorized representative. Money in the fund shall not revert
17 at the end of any fiscal year.

18 B. Money in the fund is appropriated to the
19 department for the purpose of making distributions approved by
20 the authority and for administering the Trauma System Fund
21 Authority Act; provided that no more than [~~five~~] eleven percent
22 of the fund may be used by the department for administrative
23 costs, including monitoring, trauma system development and
24 providing technical assistance, and for the operation of the
25 trauma registry data system and injury prevention programs."

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1 Section 3. Section 59A-6-2 NMSA 1978 (being Laws 1984,
2 Chapter 127, Section 102, as amended) is amended to read:

3 "59A-6-2. PREMIUM TAX--HEALTH INSURANCE PREMIUM SURTAX.--

4 A. The premium tax provided for in this section
5 shall apply as to the following taxpayers:

6 (1) each insurer authorized to transact
7 insurance in New Mexico;

8 (2) each insurer formerly authorized to
9 transact insurance in New Mexico and receiving premiums on
10 policies remaining in force in New Mexico, except that this
11 provision shall not apply as to an insurer that withdrew from
12 New Mexico prior to March 26, 1955;

13 (3) each plan operating under provisions of
14 Chapter 59A, Articles 46 through 49 NMSA 1978;

15 (4) each property bondsman, as that person is
16 defined in Section 59A-51-2 NMSA 1978, as to any consideration
17 received as security or surety for a bail bond in connection
18 with a judicial proceeding, which consideration shall be
19 considered "gross premiums" for the purposes of this section;
20 and

21 (5) each unauthorized insurer that has assumed
22 a contract or policy of insurance directly or indirectly from
23 an authorized or formerly authorized insurer and is receiving
24 premiums on such policies remaining in force in New Mexico,
25 except that this provision shall not apply if a ceding insurer

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1 continues to pay the tax provided in this section as to such
2 policy or contract.

3 B. Each such taxpayer shall pay in accordance with
4 this subsection a premium tax of three and three-thousandths
5 percent of the gross premiums and membership and policy fees
6 received or written by it, as reported in Schedule T and
7 supporting schedules of its annual financial statement on
8 insurance or contracts covering risks within this state during
9 the preceding calendar year, less all return premiums,
10 including dividends paid or credited to policyholders or
11 contract holders and premiums received for reinsurance on New
12 Mexico risks.

13 C. In addition to the premium tax imposed pursuant
14 to Subsection B of this section, each taxpayer described in
15 Subsection A of this section that transacts health insurance in
16 New Mexico or is a plan described in Chapter 59A, Article 46 or
17 47 NMSA 1978 shall pay a health insurance premium surtax of one
18 percent of the gross health insurance premiums and membership
19 and policy fees received by it on hospital and medical expense
20 incurred insurance or contracts; nonprofit health care service
21 plan contracts, excluding dental or vision only contracts; and
22 health maintenance organization subscriber contracts covering
23 health risks within this state during the preceding calendar
24 year, less all return health insurance premiums, including
25 dividends paid or credited to policyholders or contract holders

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1 and health insurance premiums received for reinsurance on New
2 Mexico risks. Except as provided in this section, all
3 references in the Insurance Code to the premium tax shall
4 include both the premium tax and the health insurance premium
5 surtax.

6 D. In addition to the premium tax imposed pursuant
7 to Subsection B of this section, each taxpayer described in
8 Subsection A of this section that transacts property or vehicle
9 insurance in New Mexico or offers insurance as described in
10 Section 59A-7-4 or 59A-7-7 NMSA 1978 shall pay an emergency
11 services insurance premium surtax on the gross insurance
12 premiums and membership and policy fees received by it on
13 homeowners' insurance, as "homeowners' insurance" is defined by
14 the superintendent, and vehicle insurance within the state
15 during the preceding calendar year, less all return homeowners'
16 and vehicle insurance premiums, including dividends paid or
17 credited to policyholders and homeowners' and vehicle insurance
18 premiums received for reinsurance on New Mexico risks. Except
19 as provided in this section, all references in the Insurance
20 Code to the premium tax shall include both the premium tax and
21 the emergency services insurance premium surtax. The emergency
22 services insurance premium surtax shall consist of:

23 (1) eight hundred eighty-five thousandths
24 percent of all the gross insurance premiums and membership and
25 policy fees received during the preceding calendar year,

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1 beginning July 1, 2010;

2 (2) one and one hundred thirty-five
3 thousandths percent of all the gross insurance premiums and
4 membership and policy fees received during the preceding
5 calendar year, beginning July 1, 2013;

6 (3) one and three hundred eighty-five
7 thousandths percent of all the gross insurance premiums and
8 membership and policy fees received during the preceding
9 calendar year, beginning July 1, 2016;

10 (4) one and six hundred thirty-five
11 thousandths percent of all the gross insurance premiums and
12 membership and policy fees received during the preceding
13 calendar year, beginning July 1, 2019;

14 (5) one and eight hundred eighty-five
15 thousandths percent of all the gross insurance premiums and
16 membership and policy fees received during the preceding
17 calendar year, beginning July 1, 2022;

18 (6) two and one hundred thirty-five
19 thousandths percent of all the gross insurance premiums and
20 membership and policy fees received during the preceding
21 calendar year, beginning July 1, 2025;

22 (7) two and three hundred eighty-five
23 thousandths percent of all the gross insurance premiums and
24 membership and policy fees received during the preceding
25 calendar year, beginning July 1, 2028;

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1 (8) two and six hundred thirty-five
2 thousandths percent of all the gross insurance premiums and
3 membership and policy fees received during the preceding
4 calendar year, beginning July 1, 2031; and

5 (9) two and eight hundred eighty-five
6 thousandths percent of all the gross insurance premiums and
7 membership and policy fees received during the preceding
8 calendar year, beginning July 1, 2034.

9 ~~[D.]~~ E. For each calendar quarter, an estimated
10 payment of the premium tax and the health insurance premium
11 surtax shall be made on April 15, July 15, October 15 and the
12 following January 15. The estimated payments shall be equal to
13 at least one-fourth of either the payment made during the
14 previous calendar year or eighty percent of the actual payment
15 due for the current calendar year, whichever is greater. The
16 final adjustment for payments due for the prior year shall be
17 made with the return, which shall be filed on April 15 of each
18 year, at which time all taxes for that year are due. Dividends
19 paid or credited to policyholders or contract holders and
20 refunds, savings, savings coupons and similar returns or
21 credits applied or credited to payment of premiums for
22 existing, new or additional insurance shall, in the amount so
23 used, constitute premiums subject to tax under this section for
24 the year in which so applied or credited.

25 ~~[E.]~~ F. Exempted from the taxes imposed by this

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1 section are:

2 (1) premiums attributable to insurance or
3 contracts purchased by the state or a political subdivision for
4 the state's or political subdivision's active or retired
5 employees; and

6 (2) payments received by a health maintenance
7 organization from the federal secretary of health and human
8 services pursuant to a contract issued under the provisions of
9 42 U.S.C. Section 1395 mm(g)."

10 Section 4. [NEW MATERIAL] EMERGENCY SERVICES INSURANCE
11 PREMIUM SURTAX REVENUES--DISTRIBUTION.--Distribution of
12 revenues from the emergency services insurance premium surtax
13 imposed pursuant to Subsection D of Section 59A-6-2 NMSA 1978
14 shall be made as follows:

15 A. fifty-one and one-half percent of the revenues
16 shall be made to the emergency medical services fund; and

17 B. forty-eight and one-half percent of the revenues
18 shall be made to the trauma system fund.