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HOUSE BILL 335

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

William "Bill" R. Rehm

AN ACT

RELATING TO TAXATION; REDUCING THE MILL LEVY TO PAY THE COST OF
OPERATING AND MAINTAINING COUNTY HOSPITALS IN CERTAIN CLASS A
COUNTIES.

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

SECTION 1. Section 4-48B-12 NMSA 1978 (being Laws 1981,
Chapter 83, Section 12, as amended) is amended to read:

"4-48B-12. TAX LEVIES AUTHORIZED.--

A. Except as provided in Subsection F of this
section, the county commissioners are authorized to impose a
mill levy and collect annual assessments against the net
taxable value of the property in a county to pay the cost of
operating and maintaining county hospitals or to pay to
contracting hospitals in accordance with a health care
facilities contract and in class A counties to pay for the

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1 county's transfer to the county-supported medicaid fund
2 pursuant to Section 27-10-4 NMSA 1978 as follows:

3 (1) in class A counties as defined in Section
4 4-44-1 NMSA 1978, the mill levy shall not exceed a rate of six
5 dollars fifty cents (\$6.50), or any lower maximum amount
6 required by operation of the rate limitation provisions of
7 Section 7-37-7.1 NMSA 1978 upon a mill levy imposed pursuant to
8 this paragraph, on each one thousand dollars (\$1,000) of net
9 taxable value of property allocated to the county; however, if
10 the county uses any portion not to exceed one dollar fifty
11 cents (\$1.50) of the rate authorized by this paragraph to meet
12 the requirement of Section 27-10-4 NMSA 1978, the provisions of
13 Section 7-37-7.1 NMSA 1978 do not apply to the portion of the
14 rate necessary to produce the revenues required; provided that
15 the portion of the rate does not exceed one dollar fifty cents
16 (\$1.50); and

17 (2) in other counties, the mill levy shall not
18 exceed four dollars twenty-five cents (\$4.25), or any lower
19 maximum amount required by operation of the rate limitation
20 provisions of Section 7-37-7.1 NMSA 1978 upon a mill levy
21 imposed pursuant to this paragraph, on each one thousand
22 dollars (\$1,000) of net taxable value of property allocated to
23 the county.

24 B. The mill levies provided in Paragraphs (1) and
25 (2) of Subsection A of this section shall be made at the

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1 direction of the county commissioners, but only to the extent
2 that the county commissioners deem it necessary to operate and
3 maintain county hospitals, to pay the amounts required in the
4 performance of any health care facilities contracts made
5 pursuant to the Hospital Funding Act and to provide for a class
6 A county's transfer to the county-supported medicaid fund
7 pursuant to Section 27-10-4 NMSA 1978.

8 C. In the event that the mill levy provided for in
9 Paragraph (1) of Subsection A of this section is not authorized
10 by the electorate or the resulting mill levy proceeds are not
11 remitted to the entity operating the hospital within a
12 reasonable time period, any lease for operation of the hospital
13 between a county and a state educational institution named in
14 Article 12, Section 11 of the constitution of New Mexico may,
15 at the option of the state educational institution, be
16 terminated immediately. Except as provided in Subsection D of
17 this section, in the event that the mill levy provided for in
18 Paragraph (1) of Subsection A of this section is authorized, an
19 amount not less than the amount that would be produced by a
20 mill levy at the rate of four dollars (\$4.00), or any lower
21 amount that would be required by operation of the rate
22 limitation provisions of Section 7-37-7.1 NMSA 1978 upon this
23 rate, on each one thousand dollars (\$1,000) of net taxable
24 value of property allocated to the county shall be provided
25 from the proceeds of the mill levy to the state educational

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1 institution operating the hospital for hospital purposes unless
2 the institution determines that the amount is not necessary.

3 D. A class A county imposing the mill levy provided
4 for in Paragraph (1) of Subsection A of this section may enter
5 into a mutual agreement with a state educational institution
6 named in Article 12, Section 11 of the constitution of New
7 Mexico operating the hospital permitting the transfer to the
8 county-supported medicaid fund by the county pursuant to
9 Section 27-10-4 NMSA 1978 of not to exceed the amount that
10 would be produced by a mill levy at a rate of one dollar fifty
11 cents (\$1.50) applied to the net taxable value of property
12 allocated to the county for the prior property tax year and
13 also not to exceed the amount that would be produced by
14 imposition of the county health care gross receipts tax.

15 E. The distribution of the mill levy authorized at
16 the rates specified in Subsection A of this section shall be
17 made to county and contracting hospitals as authorized in the
18 Hospital Funding Act.

19 F. A mill levy authorized by this section shall not
20 be imposed or take effect after January 1, 2012 in a class A
21 county having a population of more than five hundred thousand
22 persons according to the most recent federal decennial census.
23 A mill levy imposed and in effect prior to January 1, 2012 in
24 such a county shall cease to have effect after December 31,
25 2011; provided, however, that amounts calculated as owed with

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1 respect to the 2011 property tax year shall remain in effect
2 and shall be collected."

3 SECTION 2. A new section of the Hospital Funding Act is
4 enacted to read:

5 "[~~NEW MATERIAL~~] TAX LEVY AUTHORIZED FOR CERTAIN CLASS A
6 COUNTIES--ELECTION ON TAX LEVY.--

7 A. County commissioners of a class A county having
8 a population of more than five hundred thousand persons
9 according to the most recent federal decennial census are
10 authorized to impose a mill levy and collect annual assessments
11 against the net taxable value of the property in a county to
12 pay the cost of operating and maintaining county hospitals or
13 to pay to contracting hospitals in accordance with a health
14 care facilities contract and, in class A counties, to pay for
15 the county's transfer to the county-supported medicaid fund
16 pursuant to Section 27-10-4 NMSA 1978. The mill levy shall not
17 exceed a rate of sixty-five cents (\$.65), or any lower maximum
18 amount required by operation of the rate limitation provisions
19 of Section 7-37-7.1 NMSA 1978 upon a mill levy imposed pursuant
20 to this subsection, on each one thousand dollars (\$1,000) of
21 net taxable value of property in the county; however, if the
22 county uses any portion of the rate authorized by this
23 subsection to meet the requirement of Section 27-10-4 NMSA
24 1978, the provisions of Section 7-37-7.1 NMSA 1978 do not apply
25 to the portion of the rate necessary to produce the revenues

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1 required.

2 B. The mill levies provided in Subsection A of this
3 section shall be made at the direction of the county
4 commissioners, but only to the extent that the county
5 commissioners deem it necessary to operate and maintain county
6 hospitals, to pay the amounts required in the performance of
7 any health care facilities contracts made pursuant to the
8 Hospital Funding Act and to provide for the class A county's
9 transfer to the county-supported medicaid fund pursuant to
10 Section 27-10-4 NMSA 1978.

11 C. In the event that the mill levy provided for in
12 Subsection A of this section is not authorized by the
13 electorate or the resulting mill levy proceeds are not remitted
14 to the entity operating the hospital within a reasonable time
15 period, any lease for operation of the hospital between a
16 county and a state educational institution named in Article 12,
17 Section 11 of the constitution of New Mexico may, at the option
18 of the state educational institution, be terminated
19 immediately. Except as provided in Subsection D of this
20 section, in the event that the mill levy provided for in
21 Subsection A of this section is authorized, an amount not less
22 than the amount that would be produced by a mill levy that
23 would be required by operation of the rate limitation
24 provisions of Section 7-37-7.1 NMSA 1978 upon this rate, on
25 each one thousand dollars (\$1,000) of net taxable value of

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1 property in the county shall be provided from the proceeds of
2 the mill levy to the state educational institution operating
3 the hospital for hospital purposes unless the institution
4 determines that the amount is not necessary.

5 D. A class A county imposing the mill levy provided
6 for in Subsection A of this section may enter into a mutual
7 agreement with a state educational institution named in Article
8 12, Section 11 of the constitution of New Mexico operating the
9 hospital permitting the transfer to the county-supported
10 medicaid fund by the county pursuant to Section 27-10-4 NMSA
11 1978 of an amount not to exceed the amount that would be
12 produced by a mill levy for the prior property tax year and
13 also not to exceed the amount that would be produced by
14 imposition of the county health care gross receipts tax.

15 E. The distribution of the mill levy authorized at
16 the rates specified in Subsection A of this section shall be
17 made to county and contracting hospitals as authorized in the
18 Hospital Funding Act.

19 F. County commissioners of a class A county having
20 a population of more than five hundred thousand persons
21 according to the most recent federal decennial census shall
22 submit to the qualified electors of the county the question of
23 levying a tax not to exceed sixty-five cents (\$.65) on each one
24 thousand dollars (\$1,000) of net taxable value of property in
25 the county for a period of time of not less than four years nor

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1 more than eight years.

2 G. The question may be submitted to the electors
3 and voted upon as a separate question at any general election.

4 H. In the event the mill levy submitted under
5 Subsection F of this section is voted upon favorably by the
6 electors of the county, the mill levy shall become effective
7 and be made for the ensuing fiscal year and those future years,
8 not less than three nor more than seven, as stated in the
9 question voted upon; provided that the question of continuing
10 the mill levy shall thereafter be submitted to the electors at
11 the general election immediately prior to the expiration of the
12 period of assessment previously approved. The county
13 commissioners shall decrease the rate of any mill levy imposed
14 under the Hospital Funding Act if required by operation of the
15 rate limitation provisions of Section 7-37-7.1 NMSA 1978.

16 Subject to the provisions of Subsection D of this section, the
17 county commissioners may direct that the mill levy be decreased
18 or not be made for any year if, in their judgment, sufficient
19 funds for operation and maintenance of the hospital and
20 transfer to the county-supported medicaid fund, if applicable,
21 are available or will be obtained from other sources and if,
22 relative to a county hospital operated by a state educational
23 institution named in Article 12, Section 11 of the constitution
24 of New Mexico, a decision to decrease the mill levy is agreed
25 to by the state educational institution.

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1 I. In the event that the mill levy approved by the
2 electors is less than the maximum mill levy authorized for the
3 county by Subsection F of this section and the county
4 commissioners desire to increase the amount of the approved
5 mill levy, the county commissioners shall submit, in accordance
6 with Subsection G of this section, to the qualified electors of
7 the county the questions of levying those additional taxes for
8 a period of time consistent with the expiration of the mill
9 levy previously approved; provided that the additional taxes,
10 when added to the mill levy previously approved, may not exceed
11 the mill levy maximum for the county provided in Subsection A
12 of this section. In the event that the mill levy increase is
13 voted upon favorably by the electors of the county, the
14 increase shall become effective for the years stated in the
15 question voted upon. Nothing in this subsection shall be
16 construed as requiring an election to restore the mill levy to
17 an amount higher than the mill levy approved by the electors
18 after a reduction in the mill levy made pursuant to Subsection
19 H of this section."

20 **SECTION 3. EFFECTIVE DATE.**--The effective date of the
21 provisions of this act is July 1, 2011.

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