

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HOUSE BILL 26

**50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

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

underscored material = new  
~~[bracketed material] = delete~~

underscored material = new  
~~[bracketed material] = delete~~

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

.188090.1

underscoring material = new  
~~[bracketed material] = delete~~

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

.188090.1

underscored material = new  
[bracketed material] = delete

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, 2013 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, 2013 in  
24 such a county shall cease to have effect after December 31,  
25 2012; provided, however, that amounts calculated as owed with

.188090.1

1 respect to the 2012 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

.188090.1

underscoring material = new  
~~[bracketed material]~~ = delete

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 each  
25 one thousand dollars (\$1,000) of net taxable value of property

.188090.1

underscoring material = new  
~~[bracketed material] = delete~~

1 in the county shall be provided from the proceeds of the mill  
2 levy to the state educational institution operating the  
3 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

.188090.1

underscoring material = new  
~~[bracketed material] = delete~~

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.

.188090.1

underscored material = new  
[bracketed material] = delete

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 F 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, 2012.

22                           - 9 -  
23  
24  
25