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HOUSE BILL 25

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

INTRODUCED BY

William "Bill" R. Rehm

AN ACT

RELATING TO TAXATION; REDUCING THE PROPERTY TAX LEVY FOR COUNTY  
HOSPITAL FUNDING.

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 county's transfer to the county-supported medicaid fund

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1 pursuant to Section 27-10-4 NMSA 1978 as follows:

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

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

23 B. The mill levies provided in Paragraphs (1) and  
24 (2) of Subsection A of this section shall be made at the  
25 direction of the county commissioners, but only to the extent

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

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

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1 the institution determines that the amount is not necessary.

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

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

18 F. A mill levy authorized pursuant to Paragraph (1)  
19 of Subsection A of this section in a class A county having a  
20 population of more than five hundred thousand persons according  
21 to the most recent federal decennial census shall not exceed  
22 the following percentages of the mill levy authorized in  
23 calendar year 2011 in that county:

24 (1) eighty-five percent by January 1, 2012;

25 (2) sixty-five percent by January 1, 2013;

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(3) forty percent by January 1, 2014; and  
(4) ten percent by January 1, 2015."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2011.