

Veto

1 SENATE BILL 986

2 42ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1995

3 INTRODUCED BY

4 *Joseph G. Fidel*

5
6
7
8
9
10 AN ACT

11 RELATING TO TAXATION; AUTHORIZING IMPOSITION OF THE LOCAL
12 HOSPITAL GROSS RECEIPTS TAX IN AN ADDITIONAL CLASS OF COUNTY;
13 AMENDING SECTIONS OF THE NMSA 1978.

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 Section 1. Section 7-20C-2 NMSA 1978 (being Laws 1991,
17 Chapter 176, Section 2, as amended) is amended to read:

18 "7-20C-2. DEFINITIONS.--As used in the Local Hospital
19 Gross Receipts Tax Act:

20 A. "county" means:

21 (1) a class B county having a population of
22 less than twenty-five thousand according to the most recent
23 federal decennial census and having a net taxable value for
24 rate-setting purposes for the 1990 property tax year or any
25 subsequent year of more than two hundred fifty million dollars

underscored material = new
[bracketed material] = delete

1 (\$250,000,000);

2 (2) a class B county having a population of
3 less than forty-seven thousand but more than forty-four
4 thousand according to the 1990 federal decennial census and
5 having a net taxable value for rate-setting purposes for the
6 1992 property tax year of more than three hundred million
7 dollars (\$300,000,000) but less than six hundred million
8 dollars (\$600,000,000); ~~[or]~~

9 (3) a class B county [~~in New Mexico~~] having a
10 population of less than ten thousand according to the most
11 recent federal decennial census and having a net taxable value
12 for rate-setting purposes for the 1990 property tax year or
13 any subsequent year of more than one hundred million dollars
14 (\$100,000,000); or

15 (4) a class B county having a population of
16 less than twenty-five thousand according to the 1990 federal
17 decennial census and having a net taxable value for rate-
18 setting purposes for the 1993 property tax year of more than
19 ninety-one million dollars (\$91,000,000) but less than one
20 hundred twenty-five million dollars (\$125,000,000);

21 B. "department" means the taxation and revenue
22 department, the secretary of taxation and revenue or any
23 employee of the department exercising authority lawfully
24 delegated to that employee by the secretary;

25 C. "governing body" means the board of county

1 commissioners of a county;

2 D. "local hospital gross receipts tax" means the
3 tax authorized to be imposed under the Local Hospital Gross
4 Receipts Tax Act;

5 E. "person" means an individual or any other legal
6 entity; and

7 F. "state gross receipts tax" means the gross
8 receipts tax imposed under the Gross Receipts and Compensating
9 Tax Act."

10 Section 2. Section 7-20C-3 NMSA 1978 (being Laws 1991,
11 Chapter 176, Section 3, as amended by Laws 1994, Chapter 14,
12 Section 2 and also by Laws 1994, Chapter 101, Section 4) is
13 amended to read:

14 "7-20C-3. LOCAL HOSPITAL GROSS RECEIPTS TAX--AUTHORITY
15 TO IMPOSE--ORDINANCE REQUIREMENTS.--

16 A. The majority of the members elected to the
17 governing body of a county may enact an ordinance imposing an
18 excise tax on any person engaging in business in the county
19 for the privilege of engaging in business. This tax is to be
20 referred to as the "local hospital gross receipts tax". The
21 rate of the tax shall be:

22 (1) one-half of one percent of the gross
23 receipts of the person engaging in business if the tax is
24 initially imposed before January 1, 1993; [~~The rate of the tax~~
25 ~~shall be~~]

1 (2) one-eighth of one percent of the gross
2 receipts of the person engaging in business if the tax is
3 initially imposed after January 1, 1993; and

4 (3) a rate not to exceed one percent of the
5 gross receipts of the person engaging in business if the tax
6 is imposed after July 1, 1995 in a county described in
7 Paragraph (4) of Subsection A of Section 7-20C-2 NMSA 1978;
8 provided, the tax may be imposed in any number of increments
9 of one-eighth percent not to exceed an aggregate rate of one'
10 percent of gross receipts.

11 B. The local hospital gross receipts tax imposed
12 initially before January 1, 1993 shall be imposed only once
13 for the period necessary for payment of the principal and
14 interest on revenue bonds issued to accomplish the purpose for
15 which the revenue is dedicated, but the period shall not
16 exceed ten years from the effective date of the ordinance
17 imposing the tax. [~~No local hospital gross receipts tax shall~~
18 ~~be imposed initially after January 1, 1993 unless the voters~~
19 ~~of the county have approved the issuance of general obligation~~
20 ~~bonds of the county sufficient to pay at least one half of the~~
21 ~~costs of the county hospital facility or county twenty four~~
22 ~~hour urgent care or emergency facility for which the local~~
23 ~~hospital gross receipts tax revenues are dedicated, including~~
24 ~~the costs of all applicable land or building acquisition and~~
25 ~~renovation, design, construction, equipping and furnishing of~~

underscored material = new
[bracketed material] = delete

1 ~~the facility.]~~ The local hospital gross receipts tax imposed
2 after July 1, 1995 in a county described in Paragraph (4) of
3 Subsection A of Section 7-20C-2 NMSA 1978 shall be imposed
4 only once for the period necessary for payment of the
5 principal and interest on revenue bonds issued to accomplish
6 the purpose for which the revenue is dedicated, but the period
7 shall not exceed twenty years from the effective date of the
8 ordinance imposing the tax.

9 [B-] C. No local hospital gross receipts tax
10 authorized in Subsection A of this section shall be imposed
11 initially after January 1, 1993 unless:

12 (1) in a county described in Paragraph (2) of
13 Subsection A of Section 7-20C-2 NMSA 1978, the voters of the
14 county have approved the issuance of general obligation bonds
15 of the county sufficient to pay at least one-half of the costs
16 of the county hospital facility or county twenty-four hour
17 urgent care or emergency facility for which the local hospital
18 gross receipts tax revenues are dedicated, including the costs
19 of all acquisition, renovation and equipping of the facility;
20 or

21 (2) in a county described in Paragraph (3) of
22 Subsection A of Section 7-20C-2 NMSA 1978, the county will not
23 have in effect at the same time a county hospital emergency
24 gross receipts tax and the voters of the county have approved
25 the imposition of a property tax at a rate [~~that would produce~~

underscored material = new
[bracketed material] = delete

1 ~~annual revenue equal to the amount of annual revenue from a~~
2 ~~one eighth of one percent gross receipts tax on persons~~
3 ~~engaging in business in the county and which tax is dedicated~~
4 ~~for the purpose of acquisition, renovation, operation or~~
5 ~~maintenance of a county hospital facility] of one dollar~~
6 (\$1.00) on each one thousand dollars (\$1,000) of taxable value
7 of property in the county for the purpose of operation and
8 maintenance of a hospital owned by the county and operated and
9 maintained either by the county or by another party pursuant
10 to a lease with the county.

11 [G~~r~~] D. The governing body of a county enacting an
12 ordinance imposing a local hospital gross receipts tax shall
13 dedicate the revenue from the tax as provided in this
14 subsection. In any election held, the ballot shall clearly
15 state the purpose to which the revenue will be dedicated and
16 the revenue shall be used by the county for that purpose. The
17 revenues shall be dedicated as follows:

18 (1) Prior to January 1, 1993, the governing
19 body [~~of a county~~], at the time of enacting an ordinance
20 imposing the rate of the tax authorized in Subsection A of
21 this section, shall dedicate the revenue for acquisition of
22 land for and the design, construction, equipping and
23 furnishing of a county hospital facility to be operated by the
24 county or operated and maintained by another party pursuant to
25 a lease with the county [~~or~~];

1 (2) if the [county] governing body of a
2 county described in Paragraph (2) or (3) of Subsection A of
3 Section 7-20C-2 NMSA 1978 is enacting the ordinance imposing
4 the tax after July 1, 1993, [may] the governing body shall
5 dedicate the revenue for acquisition, renovation and equipping
6 of a building for a county hospital facility or a county
7 twenty-four hour urgent care or emergency facility; [and] or
8 for operation and maintenance of that facility, whether
9 operated and maintained by the county or by another party
10 pursuant to a lease or management contract with the county,
11 for the period of time the tax is imposed not to exceed ten
12 years; [In any election held, the ballot shall clearly state
13 the purpose to which the revenue will be dedicated and the
14 revenue shall be used by the county for that purpose] and

15 (3) if the governing body of a county described in
16 Paragraph (4) of Subsection A of Section 7-20C-2 NMSA 1978 is
17 enacting the ordinance imposing the tax after July 1, 1995,
18 the governing body shall dedicate the revenue for acquisition
19 of land or buildings for and the renovation, design,
20 construction, equipping or furnishing of a county hospital
21 facility to be operated by the county or operated and
22 maintained by another party pursuant to a lease or management
23 contract with the county.

24 [Dr] E. The ordinance shall not go into effect
25 until after an election is held and a simple majority of the

underscored material = new
[bracketed material] = delete

1 qualified electors of the county voting in the election votes
2 in favor of imposing the local hospital gross receipts tax,
3 and, in the case of a county described in Paragraph (3) of
4 Subsection A of Section 7-20C-2 NMSA 1978, also votes in favor
5 of a property tax at a rate of one dollar (\$1.00) for each one
6 thousand dollars (\$1,000) of taxable value of property in the
7 county. The governing body shall adopt a resolution calling
8 for an election within seventy-five days of the date the
9 ordinance is adopted on the question of imposing the tax. The
10 question may be submitted to the qualified electors and voted
11 upon as a separate question in a general election or in any
12 special election called for that purpose by the governing
13 body. A special election upon the question shall be called,
14 held, conducted and canvassed in substantially the same manner
15 as provided by law for general elections. If the question of
16 imposing a local hospital gross receipts tax fails or if the
17 question of imposing both a local hospital gross receipts tax
18 and a property tax fails, the governing body shall not again
19 propose a local hospital gross receipts tax for a period of
20 one year after the election. A certified copy of any
21 ordinance imposing a local hospital gross receipts tax shall
22 be mailed to the department within five days after the
23 ordinance is adopted in any election called for that purpose.
24 [E-] F. Any ordinance enacted [~~under~~] pursuant to
25 the provisions of Subsection A of this section shall include

1 an effective date of either July 1 or January 1, whichever
2 date occurs first after the expiration of at least three
3 months from the date the ordinance is approved by the
4 electorate.

5 ~~[F-]~~ G. Any ordinance repealed under the provisions
6 of the Local Hospital Gross Receipts Tax Act shall be repealed
7 effective on either July 1 or January 1.

8 H. As used in this section, "taxable value of
9 property" means the sum of:

10 (1) the net taxable value, as that term is
11 defined in the Property Tax Code, of property subject to
12 taxation under the Property Tax Code;

13 (2) the assessed value of products, as those
14 terms are defined in the Oil and Gas Ad Valorem Production Tax
15 Act;

16 (3) the assessed value of equipment, as those
17 terms are defined in the Oil and Gas Production Equipment Ad
18 Valorem Tax Act; and

19 (4) the taxable value of copper mineral
20 property, as those terms are defined in the Copper Production
21 Ad Valorem Tax Act, subject to taxation under the Copper
22 Production Ad Valorem Tax Act."

23 Section 3. Section 7-20C-9 NMSA 1978 (being Laws 1991,
24 Chapter 176, Section 9, as amended) is amended to read:

25 "7-20C-9. LOCAL HOSPITAL REVENUE BONDS--AUTHORITY TO

unrecorded material - not
[bracketed material] - delete

underscored material = new
[bracketed material] = delete

1 ISSUE--PLEDGE OF REVENUES.--

2 A. A county, other than a county described in
3 Paragraph (2) of Subsection A of Section 7-20C-2 NMSA 1978,
4 may issue local hospital revenue bonds pursuant to the Local
5 Hospital Gross Receipts Tax Act for the purpose of acquiring
6 land for and designing, constructing, equipping and furnishing
7 a county hospital facility to be operated by the county or by
8 another party pursuant to a lease or management contract with
9 the county.

10 B. The county issuing the local hospital revenue
11 bonds pursuant to the Local Hospital Gross Receipts Tax Act
12 shall pledge irrevocably all of the net receipts derived from
13 the imposition of the local hospital gross receipts tax and
14 any other revenues as necessary for the payment of principal
15 and interest on the revenue bonds."

16 Section 4. Section 7-20C-11 NMSA 1978 (being Laws 1991,
17 Chapter 176, Section 11, as amended) is amended to read:

18 "7-20C-11. REVENUE BONDS--TERMS.--Local hospital revenue
19 bonds:

20 A. may have interest, appreciated principal value
21 or any part thereof payable at intervals or at maturity as may
22 be determined by the governing body in the ordinance;

23 B. may be subject to [a] prior redemption at the
24 option of the county at such [~~time or~~] times and upon such
25 terms and conditions, with or without the payment of such

1 [premium~~er~~] premiums, as may be provided by the ordinance
2 authorizing the bonds;

3 C. may mature at any time not exceeding [~~ten~~]
4 twenty years after the date of issuance;

5 D. may be serial in form and maturity or may
6 consist of one bond payable at one time or in installments or
7 may be in any other form as may be provided in the ordinance
8 authorizing the bonds;

9 E. shall be sold for cash at, above or below par
10 and at a price that results in a net effective interest rate
11 that does not exceed the maximum permitted by the Public
12 Securities Act; and

13 F. may be sold at a public or negotiated sale."

14 - 11 -
15
16
17
18
19
20
21
22
23
24
25

State of New Mexico House of Representatives

FORTY-SECOND LEGISLATURE
FIRST SESSION, 1995

March 14, 1995

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has been referred

SENATE BILL 986

has had it under consideration and reports same with recommendation that it DO PASS, amended as follows:

1. On page 1, line 12, strike "AN ADDITIONAL CLASS OF COUNTY" and insert in lieu thereof "ADDITIONAL CLASSES OF COUNTIES".

2. On page 2, line 14, strike "or".

3. On page 2, line 20, after the semicolon insert "or", and between lines 20 and 21, insert the following new paragraph:

"(5) a class B county having a population of more than seventeen thousand but less than twenty thousand according to the 1990 federal decennial census and having a net taxable value for rate-setting purposes for the 1993 property tax year of more than one hundred fifty-three million dollars (\$153,000,000) but less than one hundred fifty-six million dollars (\$156,000,000);".

4. On page 4, line 4, before "one" insert "one-half of".

5. On page 4, line 9, before "one" insert "one-half of".

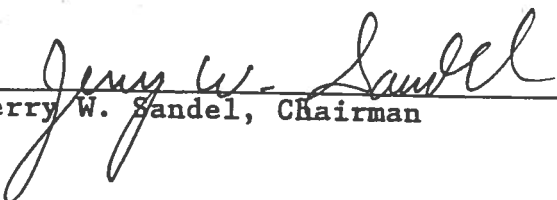
6. On page 5, line 21, after "(3)" insert "or (5)".

7. On page 7, line 2, strike "or (3)" and insert in lieu thereof ", (3) or (5)".

8. On page 8, line 3, after "(3)" insert "or (5)".,

and thence referred to the APPROPRIATIONS AND FINANCE COMMITTEE.

Respectfully submitted,


Jerry W. Sandel, Chairman

FORTY-SECOND LEGISLATURE
FIRST SESSION, 1995

SB 986

Page 2

Adopted  (Chief Clerk) Not Adopted _____ (Chief Clerk)

Date 3/14/95

The roll call vote was 12 For 0 Against
Yes: 12
Excused: Lovejoy
Absent: None

.107712.1
S0986TR1