

March 8 election on hospital tax

By Andrew Oxford

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A busy election season will be even busier in Taos County.

The Taos County Board of Commissioners voted Friday (Dec. 4) to call a special election March 8 on a new property tax to fund the maintenance and operations of Holy Cross Hospital.

The special election follows years of financial losses at Taos Health Systems, the private not-for-profit corporation that manages the area's only hospital.

Establishing a line of tax support for the facility has been an occasional topic of conversation in recent years among local officials and hospital administrators.

And, while the CEO of Taos Health Systems sought to dispel suggestions, the election is a choice between the hospital closing and remaining open. One commissioner suggested it would impact what services might be available at Holy Cross.

The proclamation approved 4-1 Friday (Dec. 4), with District V Commissioner Candyce O'Donnell casting the only vote in opposition, sets the tax as the only question on a special-election ballot.

The measure would establish a one-mill levy, raising taxes \$1 on each \$1,000 of net taxable value of property in the county.

The tax would take effect in tax year 2016 and expire after four years.

If 90 percent of property taxes are collected, the tax would raise approximately \$1.28 million annually, Taos County Attorney Robert Malone told commissioners while presenting the resolution.

The tax would not cover all the estimated \$10-12 million worth of needed repairs and infrastructure upgrades at Holy Cross Hospital, said District IV Commissioner Tom Blankenhorn.

However, with the equivalent of the funds needed to operate for 20 days on hand, the tax would provide stability for Taos Health Systems and help build its financial reserves, he added.

Taos Health Systems CEO Bill Patten said the organization typically budgets for \$1.2-1.6 million in capital needs each year. But he said that money is often unavailable when other demands are considered.

Early discussions of a tax focused on providing funds for equipment and infrastructure listed in a capital needs assessment earlier this year, such as a new roof and upgrade of the hospital's electronic health records system — expenses administrators argue Taos Health Systems cannot afford while its budget is already stretched.

Funds to help cover maintenance of the hospital building have also been perceived as a more reasonable request, given that the county government owns the property and paid for its construction following a successful tax referendum in 1991.

However, some members of the hospital's board have suggested a tax could also help raise pay for staff, according to Patten.

"There is disagreement on how money the will be used," he told commissioners Friday.

Patten said he will recommend members of the hospital's board go on the record as committing to use the tax revenue for capital equipment and building maintenance rather than operations.

After the meeting, Patten said it had yet to be determined exactly how the county would appropriate the tax revenue to Taos Health Systems.

The county could require contracts for each expense or enter into a contract allowing the nonprofit to draw from the tax revenue like a line of credit. Under either model, however, Taos Health Systems would have to abide by the county's purchasing protocols.

Opposition to the tax had already stirred by Friday (Dec. 4) morning.

While hospital administrators have attributed financial losses at Taos Health Systems to cuts in government funding, others have alleged mismanagement at a nonprofit criticized particularly in years past for insularity and a perceived lack of transparency.

Carol Miller, an Ojo Sarco resident and member of the Picuris Penasco Community Health Coalition, told commissioners the tax would amount to a bailout.

"Before the people are taxed again, there must be immediately and always going forward, complete transparency of the hospital books," she said. "No sunshine, no bailout."

Miller argued Taos Health Systems "essentially serves as a corporate middleman" for its contracted private management firm, Quorum Health Resources.

"Bad decisions by Taos Health Systems have led to the financial condition of the hospital today," Miller said.

Patten acknowledged Friday Taos Health Systems "hasn't had the best track record."

"I can't fix yesterday," he added before mentioning efforts over the last several months to share more information about the nonprofit's operations and governance.

Patten's efforts appeared to have won support from county leaders.

Though she voted against calling a special election, O'Donnell told Patten, "I am beginning to have trust."

"If anybody can fix Holy Cross Hospital, it's you," she said.

The election, which is expected to cost \$25,000, will be held one week after the Taos Town Council election due to timing of the resolution.

Early and absentee voting will start Tuesday, Feb. 9, 2016, and it will continue through Saturday, March 5, 2016, from 8 a.m. to 5 p.m. at the office of the Taos County Clerk, 105 Albright Street, Suite D, Taos.

Early voting will also take place at the Old National Guard Armory on State Road 110, the Penasco Community Center and the Questa Village Municipal Hall. Those polling sites will be open Tuesdays through Saturdays from 10 a.m. to 6 p.m., Feb. 20, 2016 through March 5, 2016.

Polls will be open at sites across the county from 7 a.m. to 7 p.m. March 8, 2016.

The resolution did not specify who will pay for the election, but Malone said during Friday's meeting Taos Health Systems has expressed interest in covering the cost.

Another opponent of the tax, Llano San Juan resident Jean Nichols, raised concerns about the likelihood of low turnout in a special election.

"The mill-levy tax vote should be part of an election where the largest representation of voters is expected," she said in a letter presented to commissioners. "2016 is an election year. It makes a lot more sense to have a hospital vote added to the general election or even the primary, where you will get a larger cross section of the public voting on this decision that impacts us all."

Taos County property owners already pay anywhere from 12.920 to 25.066 mills, according to the New Mexico Department of Finance and Administration.

The lowest property tax rate can be found in southern Taos County, where 12.920 mills are levied on residential property. The highest property taxes can be found in Taos Ski Valley, where 27.176 mills are levied on nonresidential property.

Those owning residential property inside the town of Taos pay 17.313 mills; 23.767 mills are levied against nonresidential property inside the municipality.

In Questa, 16.713 mills are levied on residential property; 23.013 mills are charged for nonresidential property inside the village.

Property tax obligations totaled \$735 per capita in Taos County during the 2014 tax year.

Commissioners have the ability to impose a gross receipts tax in the amount of one-eighth of 1 percent or one-twelfth of 1 percent without putting the matter to a countywide vote. But those taxes would likely generate less revenue.

As of April, 15 counties around New Mexico had established mill levies to fund local hospitals.

