

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Armstrong, G. ORIGINAL DATE 1/29/2017  
LAST UPDATED \_\_\_\_\_ HB 247

SHORT TITLE Skydiving Safety Act SB \_\_\_\_\_

ANALYST Rogers

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	Minimal	Minimal	Minimal	Minimal	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)

Office of the Superintendent of Insurance (OSI)

Attorney General's Office (AGO)

### SUMMARY

#### Synopsis of Bill

House Bill 247 enacts the "Skydiving Safety Act" to define risks in skydiving. The bill requires drop zone operators to carry \$100 thousand in liability insurance and limits legal liability in accordance with that provided by law. The bill also defines the duties of drop zone operators and defines the conditions of their limited liabilities. The bill provides a specific warning statement for use by drop zone operators to provide to skydivers prior to skydiving.

### FISCAL IMPLICATIONS

The bill will have minimal fiscal impact.

### SIGNIFICANT ISSUES

The Office of the Superintendent of Insurance (OSI) states that \$1 million may be a more reasonable amount of coverage than \$100 thousand, especially considering the magnitude of the risk involved.

**TECHNICAL ISSUES**

The AGO explains that the bill defines “aircraft” to mean an “airplane, helicopter, hot air balloon, glider and any other device that is used or intended to be used for flight in the air.” Under existing aeronautics law at Sec. 64-1-1 “aircraft” is defined to exclude a parachute, which is a reasonable exclusion in the context of common carriers transporting passengers on an airplane. Under the Skydiving Safety Act proposed by HB 247, to “skydive” means to descend “to the surface of the earth from an aircraft in flight by using or intending to use a parachute system during all or part of that descent.” It could be helpful for HB 247 to clarify whether a parachute is included or excluded in the definition of “aircraft” for purposes of skydiving, especially as a drop zone operator could provide both the airplane that carries the skydiver aloft and the parachute used to execute the dive.

**OTHER SUBSTANTIVE ISSUES**

The AGO points out the bill requires a drop zone operator to “have each skydiver sign a warning statement” and provides wording for that statement. However, the bill does not expressly state at what point the operator must have the signed statement in hand in order to limit the operator’s legal liability– i.e., prior to a skydiver’s leaving the ground or prior to the skydiver’s dive from an aircraft? It may seem excessively cautious to specify in law when the statement must be in hand in order to limit liability, but providing a clear, simple statement in the legislation as to when liability attaches could help avoid future litigation.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The OSI warns that status quo means drop zone operators will continue to be a risk for being sued in situations where the skydiver is injured or killed.

TR/al