

LFC Requester:	Joseph Simon
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill;}

Date Prepared: 01/30/2025 *Check all that apply:*
Bill Number: SB182 Original Correction
 Amendment Substitute

Sponsor: Pat Woods **Agency Name and Code Number:** 770-NMCD
Short Title: GSD Insurance Coverage Limits **Person Writing:** Anisa Griego-Quintana
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
0	0	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0	0	0	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	0	Minimal	Minimal	Minimal	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 182 would establish coverage limits on insurance coverage offered by the risk management division of the General Services Department. In Sec. 15-7-3, additional powers and duties of the General Services Department Risk Management Division, in procuring insurance, reinsurance or employee group benefits, coverage shall not exceed: (1) \$500,000 for property damages; (2) \$1,050,000 for general liability insurance; and (3) \$2.0 million in civil rights tort liability as established in the Civil Rights Act.

Tort liability of a public body under the Civil Rights Act is limited to \$2.0 million per claimant, with a cost-of-living adjustment after 2022.

FISCAL IMPLICATIONS

The limits imposed in SB182 may assist the Agency with slightly lower premiums assessed by the General Services Department (GSD) for property insurance and general liability, but the rates the agency pays to GSD for civil liability exceeds all other rates. See attached EXCEL spreadsheet for rates mentioned in this bill. With no changes to civil liability limits (see WORD attachment), it is anticipated that those rates would stay steady or continue to increase over time.

In addition, adding a limit for insurance for property damage could negatively affect the agency when it comes to facility damage. There have been multiple instances throughout the years where the Corrections Department has made claims to GSD for roof damage and other building damage due to severe storms or other events. Depending on the scope of damage and the significant cost increases in the past several years with contractors, there is the possibility that a \$500 thousand limit in property claims may not be sufficient to cover a roof repair or replacement in the event of severe storms or other event such as a fire. Overall, the estimated impact would most likely be minimal for the operating budget but could be moderate for our capital outlay funds if we had to pay for facility repairs ourselves if we capped out on the property insurance max and a roof or building damage exceeded the \$500 thousand.

SIGNIFICANT ISSUES

None for the Corrections Department.

PERFORMANCE IMPLICATIONS

None for the Corrections Department.

ADMINISTRATIVE IMPLICATIONS

None for the Corrections Department.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None for the Corrections Department.

TECHNICAL ISSUES

None for the Corrections Department.

OTHER SUBSTANTIVE ISSUES

None for the Corrections Department.

ALTERNATIVES

None for the Corrections Department.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

None proposed by the Corrections Department.

GSD Assessment (in thousands)	FY22	FY23	FY24	FY25	FY26
Property Insurance	\$130.5	\$221.1	\$438.1	\$549.1	\$630.0
General Liability	\$374.8	\$274.8	\$281.1	\$334.6	\$702.7
Civil Rights	\$1,452.6	\$1,721.2	\$2,892.4	\$3,315.2	\$5,247.7
Total	\$1,957.9	\$2,217.1	\$3,611.6	\$4,198.9	\$6,580.4

FY22-26 Growth

\$499.5 382.8%

\$327.9 87.5%

\$3,795.1 261.3%

\$4,622.5 236.1%

41-4A-6. Limitation on recovery.

A. In any action for damages against a public body pursuant to the New Mexico Civil Rights Act, the liability per occurrence shall not exceed the sum of two million dollars (\$2,000,000) per claimant, inclusive of the claimant's costs of action and reasonable attorney fees. In jury cases, the jury shall not be given any instructions dealing with this limitation. Interest shall be allowed on judgments against a public body at a rate equal to two percentage points above the bank prime loan rate published by the board of governors of the federal reserve system on the last business day of the month preceding entry of the judgment. Interest shall be computed daily from the date of the entry of the judgment until the date of payment.

B. As of July 1, 2022 and on July 1 of each successive year, the maximum recovery limit shall be increased for the cost of living as provided in Subsection C of this section.

C. On July 1, 2022 and on July 1 of each successive year, the maximum recovery limit shall be increased by the increase in the cost of living. The increase in the cost of living shall be measured by the percentage increase as of August of the immediately preceding year over the level as of August of the previous year of the consumer price index for all urban consumers, United States city average for all items, or its successor index, as published by the United States department of labor or its successor agency, with the amount of the increase rounded to the nearest multiple of ten thousand dollars (\$10,000); however, the maximum recovery limit shall not be adjusted downward as a result of a decrease in the cost of living. The risk management division of the general services department shall publish by May 1 of each year the adjusted maximum recovery limit that shall take effect the following July 1.