

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: 1/31/2025 *Check all that apply:*
Bill Number: SB182 Original Correction
 Amendment Substitute

Sponsor: Pat Woods **Agency Name and Code** 790 – Department of Public Safety
Short Title: GSD Insurance Coverage Limits **Number:** _____
Person Writing Roberta Vigil
Phone: (505) 479- **Email:** Roberta.Vigil@dps.n

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

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

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	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	\$0.0	Indeterminate	Indeterminate	Indeterminate	Recurring	General Fund

(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

Establishes a limit to insurance coverage offered by the Risk Management Division (RMD) of the General Services Department; amends section 15-7-3 NMSA 1978.

COVERAGE. Imposes limits on RMD on contracts, insurance coverage, reinsurance coverage or employee group benefits coverage, declaring that coverage shall not exceed:

- \$500,000 for property damages
- \$1,050,000 for general liability
- Limits established by § 41-4A-6 NMSA 1978 for civil rights liability

LANGUAGE: department of health references to health care authority, regulations to rules.

FISCAL IMPLICATIONS

SB 182 proposes changes that conflict with NMSA 1978, § 41-4-19, which currently establishes a maximum liability of \$200,000 for property damage and \$750,000 for general liability which will increase the maximum limits beyond what is specified in § 41-4-19.

If enacted, this bill will allow for additional monetary recovery against the state and other public entities covered under the Tort Claims Act. As a result, the Risk Management Division (RMD) would likely raise insurance premiums for DPS and other state agencies. The increase in maximum liability will lead to a higher volume of claims, which will result in increased insurance premiums assessed by RMD to DPS and other agencies who participate in the RMD insurance pool.

Furthermore, DPS, as did other agencies, had to request a General Fund increase in its Fiscal Year 2026 Budget Request to cover anticipated increases in RMD risk rate premiums. From FY25 to FY26, DPS experienced a significant rise in total risk rate premiums. The total increase amounted to over \$733,000, reflecting higher costs associated with insurance and risk management.

SIGNIFICANT ISSUES

This bill purports to raise liability amounts by setting a higher maximum liability amount for tort claims than is otherwise codified in Section 41-4-19, NMSA 1979.

PERFORMANCE IMPLICATIONS

If liability amounts for tort claims were increased as a result of the passing of this bill, the number of lawsuits filed against DPS could increase.

ADMINISTRATIVE IMPLICATIONS

Additional lawsuits would result in additional processing of complaints, discovery, and case management.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None to DPS.

TECHNICAL ISSUES

This bill appears to conflict with current law by increasing the maximum tort liability amounts without

amending the tort claim liability statute, Section 41-4-19, NMSA 1978.

OTHER SUBSTANTIVE ISSUES

None identified by DPS.

ALTERNATIVES

None proposed by DPS.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo will remain with current rates and coverages.

AMENDMENTS

None proposed by DPS.