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HOUSE BILL 540

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

W. Ken Martinez

AN ACT

RELATING TO SOIL AND WATER CONSERVATION DISTRICTS; ALLOWING ELECTED SUPERVISORS TO OPT INTO THE STATE GROUP INSURANCE BENEFITS; AMENDING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 10-7B-2 NMSA 1978 (being Laws 1989, Chapter 231, Section 2, as amended by Laws 2005, Chapter 301, Section 2 and by Laws 2005, Chapter 305, Section 2) is amended to read:

"10-7B-2. DEFINITIONS.--As used in the Group Benefits Act:

- A. "committee" means the group benefits committee;
- B. "director" means the director of the risk management division of the general services department;
- C. "employee" means a salaried officer, employee or

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1 legislator of the state or a salaried officer, ~~[or]~~ an employee
2 of a local public body or an elected supervisor of a soil and
3 water conservation district;

4 D. "local public body" means any New Mexico
5 incorporated municipality, county or school district;

6 E. "professional claims administrator" means any
7 person or legal entity that has at least five years of
8 experience handling group benefits claims, as well as such
9 other qualifications as the director may determine from time to
10 time with the committee's advice;

11 F. "small employer" means a person having for-
12 profit or nonprofit status that employs an average of fifty or
13 fewer persons over a twelve-month period; and

14 G. "state" or "state agency" means the state of New
15 Mexico or any of its branches, agencies, departments, boards,
16 instrumentalities or institutions."

17 Section 2. Section 10-7B-5 NMSA 1978 (being Laws 1989,
18 Chapter 231, Section 5, as amended by Laws 2005, Chapter 301,
19 Section 3 and by Laws 2005, Chapter 305, Section 3) is amended
20 to read:

21 "10-7B-5. ADMINISTRATIVE COSTS.--The director, with the
22 prior approval of the committee, may apportion the costs of
23 employee benefits administration and other employee benefit
24 costs to all participating state agencies and their employees,
25 participating local public bodies and their employees, ~~[and]~~

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1 participating small employers and persons and dependents
2 eligible through the small employer and participating soil and
3 water conservation district supervisors and their covered
4 dependents, whether the plan is insured or self-insured."

5 Section 3. Section 10-7B-6 NMSA 1978 (being Laws 1989,
6 Chapter 231, Section 6, as amended) is amended to read:

7 "10-7B-6. STATE EMPLOYEES GROUP BENEFITS SELF-INSURANCE
8 PLAN--AUTHORIZATION--LOCAL PUBLIC BODY PARTICIPATION.--

9 A. The risk management division of the general
10 services department may, with the prior advice of the
11 committee, establish and administer a group benefits self-
12 insurance plan, providing life, vision, health, dental and
13 disability coverages, or any combination of such coverages, for
14 employees of the state and of participating local public
15 bodies. Any such group benefits self-insurance plan shall
16 afford coverage for employees' dependents at each employee's
17 option. Any such group benefits self-insurance plan may
18 consist of self-insurance or a combination of self-insurance
19 and insurance; provided that particular coverages or risks may
20 be fully insured, fully self-insured or partially insured and
21 partially self-insured.

22 B. The director, with the advice of the committee,
23 shall establish by regulation or letter of administration the
24 types, extent, nature and description of coverages, the
25 eligibility rules for participation, the deductibles, rates and

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1 all other matters reasonably necessary to carry on or
2 administer a group benefits self-insurance plan established
3 pursuant to Subsection A of this section.

4 C. The contribution of each participating state
5 agency to the cost of any such group benefits self-insurance
6 plan shall not exceed that percentage provided for state group
7 benefits insurance plans as provided by law. The contribution
8 of a participating local public body to the cost of any such
9 group benefits self-insurance plan shall not exceed that
10 percentage provided for local public body group benefits
11 insurance plans as provided by law.

12 D. Except as provided in Subsection E of this
13 section, public employees' contributions to the cost of any
14 group benefits self-insurance plan may be deducted from their
15 salaries and paid directly to the group self-insurance fund;
16 provided that where risks are insured or reinsured, the
17 director may authorize payment of the costs of such insurance
18 or reinsurance directly to the insurer or reinsurer.

19 E. A legislator and the legislator's covered
20 dependents and a soil and water conservation district
21 supervisor or the supervisor's covered dependents are eligible
22 to participate in and receive benefits from the group benefits
23 self-insurance plan if the legislator or supervisor pays
24 monthly premiums in amounts that equal one hundred percent of
25 the cost of the insurance. The premiums shall be paid directly

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1 to the group self-insurance fund; provided that where risks are
2 insured or reinsured, the director may authorize payment of the
3 premiums directly to the insurer or reinsurer.

4 F. Local public bodies and state agencies that are
5 not participating in the state group benefits insurance plan or
6 self-insurance plan may elect to participate in any group
7 benefits self-insurance plan established pursuant to Subsection
8 A of this section by giving written notice to the director on a
9 date set by the director, which date shall not be later than
10 ninety days prior to the date participation is to begin. The
11 director shall determine an initial rate for the electing
12 entity in accordance with a letter of administration setting
13 forth written guidelines established by the director with the
14 committee's advice. The initial rate shall be based on the
15 claims experience of the electing entity's group for the three
16 immediately preceding continuous years. If three years of
17 continuous experience is not available, a rate fixed for the
18 entity by the director with the committee's advice shall apply,
19 and the electing entity's group shall be reredated on the first
20 premium anniversary following the date one full year of
21 experience for the group becomes available. Any such election
22 may be terminated effective not earlier than June 30 of the
23 third calendar year succeeding the year in which the election
24 became effective or on any June 30 thereafter. Notice of
25 termination shall be made in writing to the director not later

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1 than April 1 immediately preceding the June 30 on which
2 participation will terminate. A reelection to participate in
3 the plan following a termination may not be made effective for
4 at least three full years following the effective date of
5 termination.

6 G. As soon as practicable, the director with the
7 committee's advice shall establish an experience rating plan
8 for state agencies and local public bodies participating in any
9 group benefits self-insurance plan created pursuant to
10 Subsection A of this section. Rates applicable to state
11 agencies and participating local public bodies shall be based
12 on such experience rating plan. Any such experience rating
13 plan may provide separate rates for individual state agencies
14 and individual local public bodies or for such other experience
15 centers as the director may determine."

16 Section 4. Section 73-20-40 NMSA 1978 (being Laws 1965,
17 Chapter 137, Section 14, as amended) is amended to read:

18 "73-20-40. SELECTION OF SUPERVISOR CHAIRMAN--QUORUM--
19 COMPENSATION.--Within a reasonable time after each district
20 election and after newly elected supervisors have completed the
21 oath of office, the supervisors of a district shall organize
22 and shall designate a chairman who shall be a supervisor and
23 who shall serve at the pleasure of the supervisors. In the
24 performance of district functions, a majority of supervisors
25 shall constitute a quorum; the concurrence of the quorum

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1 majority shall be required to carry or to determine any matter
2 of district business. Supervisors shall not receive
3 compensation for their services but shall be entitled to be
4 reimbursed in accordance with the provisions of the Per Diem
5 and Mileage Act. Supervisors may purchase group health
6 insurance benefits for themselves and their dependents pursuant
7 to the Group Benefits Act and pursuant to the rules and
8 procedures set forth by that act and the risk management
9 division of the general services department."

10 Section 5. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 2006.

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