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FISCAL IMPACT REPORT

ORIGINAL DATE 1/18/08
 LAST UPDATED 1/21/08 HB _____

SPONSOR Leavell

SHORT TITLE False Insurance Claims as Racketeering SB 151

ANALYST Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Defender Department (PDD)

No Responses Received From

- Administrative Office of the Courts (AOC)
- Administrative Office of the District Attorneys (AODA)
- Attorney General's Office (AGO)
- Department of Public Safety (DPS)

SUMMARY

Synopsis of Bill

Senate Bill 151 expands the crime of racketeering to include false application, claim or proof of loss with respect to insurance. As explained by the Public Defender Department, it amends NMSA 1978, § 30-41-1, *et seq.*, the "Racketeering Act" to include within the definition provided in § 30-42-3, an additional method by which racketeering may be committed. The bill includes within this list "false application, claim or proof of loss" as provided in NMSA 1978, § 59A-16-23, which prohibits knowingly or willfully making a false or fraudulent statement or representation as to a material fact in application for insurance for the purpose of obtaining money or some benefit, or presenting a fraudulent claim in support for payment of loss under an insurance policy.

Currently, the statute defines “racketeering” as any act chargeable or indictable under the law of New Mexico and punishable by imprisonment of over one year and involving number specific offenses, including but not limited a number of crimes of dishonesty such as forgery, fraud, embezzlement, illegal kickbacks and extortion. Violation of the insurance fraud statute is punishable as a petty misdemeanor, misdemeanor, fourth, third or second degree felony depending on the amount of the purported loss or potential loss to the victim insurer. A violation of the racketeering statute itself is punishable as a second degree felony.

EO/nt