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FISCAL IMPACT REPORT

SPONSOR Rodriguez **ORIGINAL DATE** 02/25/15
LAST UPDATED 03/13/15 **HB** _____
SHORT TITLE Firefighters' Survivors Fund **SB** 519
ANALYST Hanika-Ortiz/Clark

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	(\$200.0)*		See Fiscal Impact	Fire Protection Fund
	(~\$35.0)*		See Fiscal Impact	General Fund
	\$200.0*		See Fiscal Impact	Firefighters' Survivors Fund

(Parenthesis () Indicate Revenue Decreases)

*These impacts would only occur if the firefighters' survivors fund balance drops below \$250 thousand in order to make payments to survivors required by statute. See Fiscal Implications.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

State Treasurer's Office (STO)

SUMMARY

Synopsis of Bill

Senate Bill 519 increases the distribution from the fire protection fund to the firefighters' survivors fund when the balance falls below \$250 thousand.

FISCAL IMPLICATIONS

The transfer from the fire protection fund is one time until a line of duty death occurs.

The transfer would impact fund balances in the fire protection fund by up to \$200 thousand in FY16; and again, following each line of duty death. Because the fire protection fund partially

reverts to the general fund, there would be a reduction in transfers to the general fund for each incremental transfer to the firefighters' survivors fund – the impact would be approximately \$35 thousand in FY16.

Revenues to the fire protection fund are projected to be approximately \$75 million in 2016 and general fund reversions are expected to be about \$13 million.

SIGNIFICANT ISSUES

SB 519 is essentially a clean-up bill.

Laws 2014, Chapter 17 amended Section 10-11B-5 NMSA 1978 by increasing the survivors benefit for firefighters killed in the line of duty, from \$50 thousand to \$250 thousand, to mirror the survivors benefit for police officers killed in the line of duty.

The fire protection fund (Section 59A-53-7 NMSA 1978) makes distributions to the firefighters' survivors fund when the balance in the firefighters' survivor fund drops below \$50 thousand.

Laws 2014, Chapter 17 did not amend the distribution from the fire protection fund to the firefighters' survivors fund to reflect the increased survivors benefit amount of \$250 thousand.

The firefighters' survivors fund maintains funds for approved line of duty deaths, with funding from the Taxation and Revenue Department for firefighter license plates as well as additional funding from the fire protection fund equal to the amount necessary to pay the survivor benefit.

OTHER SUBSTANTIVE ISSUES

Volunteer fire department firefighters, who are often the first responders, are also covered.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The firefighters' survivors fund may not have funds available when a line of duty death occurs.

AHO/bb/je/JC/aml