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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/2020

SPONSOR Armstrong, D. LAST UPDATED _____ HM 10

SHORT TITLE Financial Abuse of Senior Citizens Task Force SM _____

ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY20 | FY21 | FY22 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|---------|------|----------------------|------------------------------|------------------|
| Total | | Minimal | | Minimal | Nonrecurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Memorial 8

SOURCES OF INFORMATION

LFC Files

Responses Received Specific to House Memorial 10

Human Services Department (HSD)

Responses Received From the Following Regarding Identical Senate Memorial 8

Administrative Office of the Courts (AOC)

Aging and Long-Term Services Department (ALTSO)

University of New Mexico (UNM)

SUMMARY

Synopsis of Memorial

House Memorial 10, "Financial Abuse of Senior Citizens Task Force," would direct the executive director of the senior citizens law office to assemble a task force to study means of protecting New Mexico's elderly as well as adults with disability from financial abuse perpetrated both by strangers and by acquaintances and family members of these senior citizens and disabled persons. The memorial makes note of the increasing population of senior citizens and disabled persons in the United States and in New Mexico and increasing reports of financial abuse within the state. It states that senior citizens and disabled persons living in rural areas may be at increased risk. Other states have taken action to prevent financial abuse of senior citizens; the memorial suggests that the task force study those other states' efforts and their results.

The task force, convened by the senior citizens law center, would include members from

- ALTSO

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- AOC
- New Mexico’s district courts
- Office of the state auditor
- Public defender department
- New Mexico’s district attorney association
- AARP New Mexico
- Developmental disabilities planning council
- The state bar of New Mexico’s elder law and real property, trust and estate sections
- New Mexico’s chapter of the American college of trust and estate counsel
- UNM school of law, including a professor of health law
- New Mexico guardianship association
- Representatives from community banks and credit unions
- The senior citizens law office.

It would report its findings to interim committees by November 1, 2020.

FISCAL IMPLICATIONS

There are no appropriations in this memorial. Agencies would incur costs in naming participants to the task force and providing travel expenses to meetings.

SIGNIFICANT ISSUES

New Mexico’s population is growing slowly – the most recent estimate is of growth of 0.002 percent from 2018 to 2019. The portion of that population growing most rapidly is the oldest portion:

| Year | Total New Mexico Population | Total population >65 years of age | Percent population >65 years of age |
|------|-----------------------------|-----------------------------------|-------------------------------------|
| 2010 | 2,059,179 | 272,255 | 13.2 |
| 2015 | 2,085,567 | 318,542 | 15.3 |
| 2018 | 2,095,548 | 366,189 | 17.5 |

From <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

Thus, from 2010 to 2018, the total New Mexico population increased by a little less than 1.8 percent, while the number of those greater than 65 years of age increased by 34.5 percent, and the percentage of the New Mexico population more than 65 years of age increased from 13.2 percent to 17.5 percent during that period. If one includes the adult population with serious disabilities, the number rises to about 21 percent of the population, many of whom are susceptible to financial abuse.

According to an American Bankers’ Association web article, “Protecting the Elderly from Financial Abuse” (<https://www.aba.com/advocacy/community-programs/consumer-resources/protect-your-money/elderly-financial-abuse>), the exploitation of senior citizens for the purpose of appropriating their financial resources is a growing crime, resulting in destitution for many of the victims. The ABA goes on to note symptoms of financial abuse and suggest some of the means for combatting that abuse.

The Administrative Office of the Courts notes that

Numerous cases of financial exploitation have been documented in New Mexico in recent years. In a particularly well-publicized and egregious case, the owners of Ayudando Guardians, Inc., an Albuquerque-based nonprofit providing guardianship services to special needs adults, recently pled guilty to embezzling more than \$10 million from client accounts from 2010 to 2017. 837 adults were victimized by Ayudando. <https://www.abqjournal.com/1409024/ayudando-founder-to-face-day-of-reckoning-in-court.html>.

ADMINISTRATIVE IMPLICATIONS

The agencies named would be asked to contribute personnel time to the task force established by the Senior Citizens Law Office.

DUPLICATION of Senate Memorial 8.

OTHER SUBSTANTIVE ISSUES

UNM notes that the Senior Citizens Law Office might not feel able to comply with the recommendation that a task force be established for this purpose and suggests the possibility that the task force could be convened by the Elder Law Section of the New Mexico State Bar.

ALTSO suggests that the scope of the review/recommendation be expanded.

LAC/rl