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HOUSE BILL 531

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

RICHARD T. KNOWLES

AN ACT

RELATING TO PUBLIC EMPLOYEES; CHANGING GROUP INSURANCE  
PROVISIONS FOR POLITICAL SUBDIVISIONS WITH TWENTY-FIVE EMPLOYEES  
OR LESS.

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

Section 1. Section 10-7-4 NMSA 1978 (being Laws 1941,  
Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS  
FROM PUBLIC FUNDS. --

A. All state departments and institutions and all  
political subdivisions of the state, excluding municipalities,  
[and] counties and political subdivisions with twenty-five  
employees or less, shall cooperate in providing group term life,  
medical or disability income insurance for the benefit of  
eligible employees or salaried officers of the respective

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1 departments, institutions and subdivisions.

2 B. The group insurance contributions of the state or  
3 any of its departments or institutions, including institutions  
4 of higher education and the public schools, shall be made as  
5 follows:

6 (1) seventy-five percent of the cost of the  
7 insurance of an employee whose annual salary is less than  
8 fifteen thousand dollars (\$15,000);

9 (2) seventy percent of the cost of the  
10 insurance of an employee whose annual salary is fifteen thousand  
11 dollars (\$15,000) or more but less than twenty thousand dollars  
12 (\$20,000);

13 (3) sixty-five percent of the cost of the  
14 insurance of an employee whose annual salary is twenty thousand  
15 dollars (\$20,000) or more but less than twenty-five thousand  
16 dollars (\$25,000); or

17 (4) sixty percent of the cost of the insurance  
18 of an employee whose annual salary is twenty-five thousand  
19 dollars (\$25,000) or more.

20 As used in this subsection, "cost of the insurance" means  
21 the premium required to be paid to provide coverages. Any  
22 contributions of the political subdivisions of the state, except  
23 the public schools and political subdivisions with twenty-five  
24 employees or less, shall not exceed sixty percent of the cost of  
25 the insurance.

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1 C. When a public employee elects to participate in a  
2 cafeteria plan as authorized by the Cafeteria Plan Act and  
3 enters into a salary reduction agreement with the governmental  
4 employer, the provision of Subsection B of this section with  
5 respect to the maximum contributions that can be made by the  
6 employer are not violated and will still apply. The employer  
7 percentage or dollar contributions as provided in Subsection B  
8 of this section shall be determined by the employee's gross  
9 salary prior to any salary reduction agreement.

10 D. Any group medical insurance plan offered pursuant  
11 to this section shall include effective cost-containment  
12 measures to control the growth of health care costs. The  
13 responsible public body that administers a plan offered pursuant  
14 to this section shall report annually by September 1 to  
15 appropriate interim legislative committees on the effectiveness  
16 of the cost-containment measures required by this subsection."

17 Section 2. Section 10-7-4.2 NMSA 1978 (being Laws 1991,  
18 Chapter 191, Section 1, as amended) is amended to read:

19 "10-7-4.2. GROUP INSURANCE-- COUNTIES, [AND] MUNICIPALITIES  
20 AND SMALL POLITICAL SUBDIVISIONS - CONTRIBUTIONS- - DEFINITION- -  
21 EXEMPTION FROM STATE PLAN. - -

22 A. All municipalities, [and] counties and political  
23 subdivisions with twenty-five employees or less shall cooperate  
24 in providing group term life, medical or disability income  
25 insurance for the benefit of eligible employees or salaried

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1 officers of the respective departments, institutions and  
2 subdivisions.

3 B. Municipalities, [~~and~~] counties and political  
4 subdivisions with twenty-five employees or less may contribute  
5 any amount up to one hundred percent of the cost of the  
6 insurance. As used in this section, "cost of the insurance"  
7 means the premium required to be paid to provide coverages.

8 C. When a public employee elects to participate in a  
9 cafeteria plan as authorized by the Cafeteria Plan Act and  
10 enters into a salary reduction agreement with a municipal or  
11 county employer, the provisions of Subsection B of this section  
12 with respect to the ~~maximum~~ contributions that can be made by  
13 the employer are not violated and will still apply. The  
14 employer contributions as provided in Subsection B of this  
15 section shall be determined by the employee's gross salary prior  
16 to any salary reduction agreement.

17 D. Any group medical insurance plan offered pursuant  
18 to this section shall include effective cost-containment  
19 measures to control the growth of health care costs. The  
20 responsible public body that administers a plan offered pursuant  
21 to this section shall report annually by September 1 to  
22 appropriate interim legislative committees on the effectiveness  
23 of the cost-containment measures required by this subsection.

24 E. Exempt from the provisions of Section  
25 10-7-4 NMSA 1978 are all municipalities, [~~and~~] counties and

1 political subdivisions with twenty-five employees or less "

2 Section 3. EFFECTIVE DATE. --The effective date of the  
3 provisions of this act is July 1, 1997.

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**State of New Mexico**  
**House of Representatives**

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**FORTY-THIRD LEGISLATURE**  
**FIRST SESSION, 1997**

February 20, 1997

Mr. Speaker:

Your GOVERNMENT AND URBAN AFFAIRS COMMITTEE, to  
whom has been referred

HOUSE BILL 531

has had it under consideration and reports same with  
recommendation that it DO PASS, and thence referred to the  
APPROPRIATIONS AND FINANCE COMMITTEE.

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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Respectfully submitted,

\_\_\_\_\_  
Lynda M. Lovejoy, Chairwoman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 5 For 0 Against

Yes: 5

Excused: Pederson, Saavedra, Taylor, JG

Absent: None

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# **State of New Mexico House of Representatives**

**FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997**

**March 5, 1997**

**Mr. Speaker:**

**Your APPROPRIATIONS AND FINANCE COMMITTEE, to  
whom has been referred**

**HOUSE BILL 531**

**has had it under consideration and reports same with  
recommendation that it DO PASS.**

**Respectfully submitted,**

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**Max Coll, Chairman**

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 14 For 0 Against

Yes: 14

Excused: Saavedra, Salazar, Wallace

Absent: None

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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March 17, 1997

Mr. President:

Your PUBLIC AFFAIRS COMMITTEE, to whom has been referred

HOUSE BILL 531

has had it under consideration and reports same with recommendation that it DO PASS.

Respectfully submitted,

\_\_\_\_\_  
Shannon Robinson, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

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1 The roll call vote was 5 For 0 Against

2 Yes: 5

3 No: 0

4 Excused: Garcia, Ingle, Vernon, Rodarte

5 Absent: None

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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March 17, 1997

Mr. President:

Your PUBLIC AFFAIRS COMMITTEE, to whom has been referred

HOUSE BILL 531

has had it under consideration and reports same with recommendation that it DO PASS.

Respectfully submitted,

\_\_\_\_\_  
Shannon Robinson, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

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Underscored material = new  
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1 The roll call vote was 5 For 0 Against

2 Yes: 5

3 No: 0

4 Excused: Garcia, Ingle, Vernon, Rodarte

5 Absent: None

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