

Monday, October 21 ([click here for webcast](#))

The following members and designees were present on Monday, October 21, 2024: Senators Roberto “Bobby” J. Gonzales, Pat Woods, and Pete Campos; and Representatives Nathan P. Small, Jack Chatfield, Debra M. Sariñana, and Derrick J. Lente (via Zoom). Standing advisor member Representative Harlan Vincent and guest legislator Representative Tara L. Lujan.

Status of Major Fire Recovery (2:00 PM, [click here for meeting materials](#)). Director Cecilia Mavrommatis and Deputy Director Jeannette Gallegos of the Local Government Division at the Department of Finance and Administration reported on the status of state funding for the repair or replacement of public infrastructure damaged by wildfire and subsequent flood and debris flow. The Legislature appropriated \$100 million for Hermits Peak-Calf Canyon Fire recovery, of which almost all is obligated: \$41.2 million to Mora County for road and culvert repairs, \$34.3 million to San Miguel County for road and bridge repairs, \$22.6 million to the city of Las Vegas for debris removal projects and a temporary filtration system, \$1 million to the Mora Mutual Domestic Water Consumers Association for a well water pump project, and \$500 thousand to the Agua Pura Water Association for water supply system pipe repairs and replacement. For the Salt and South Fork fires recovery, \$70 million was appropriated. Twenty-six million is obligated to Lincoln County to repair roads and bridges in the Cedar Creek and Gavilan Canyon area and \$44 million obligated to the village of Ruidoso to repair roads and bridges in the Upper Canyon area.

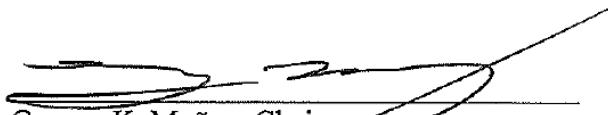
Property Insurance in New Mexico: Status and Reform Options (3:29 PM, [click here for meeting materials](#)). State Forester Laura McCarthy said wildfires are a growing threat and subsequently creating insurance access issues. In response, New Mexico is aggressively mitigating wildfire risk by cutting and removing brush and trees that act as fuel for wildfires. Logging and tree thinning are only part of the solution, however. Ms. McCarthy explained property owners must “harden” buildings to withstand a wildfire and create defensible space around structures. While home hardening can improve insurance access, it is an added cost burden to homeowners. The state may want to consider a grant program for low- and middle-income residents to offset the cost of hardening existing homes and commercial properties. Ms. McCarthy highlighted such programs implemented in other states.

Melissa Robertson, property and casualty bureau chief at the Office of Superintendent of Insurance (OSI), said the New Mexico FAIR (fair access to insurance requirements) Plan Act provides essential property insurance to responsible and qualified applicants in the state who are unable to secure such insurance in the normal market. With the increasing number of New Mexicans living in high wildfire risk areas and facing limited access to insurance, OSI is establishing a pilot program under the act in Lincoln County. The FAIR Plan’s current coverage, however, is not enough. Ms. Robertson explained it offers multiple limits of coverage from \$225 thousand to \$350 thousand on occupied residential structures and from \$250 thousand to \$1 million on commercial structures. Because property values are much higher in Lincoln County, the state should consider increasing FAIR plan coverage. OSI recommends coverage of \$1 million for residential property and from \$2 million to \$5 million for commercial property. Among requirements for FAIR plan

coverage, Ms. Robertson said policy owners have one year to harden their property according to Insurance Institute for Business and Home Safety wildfire prepared home standards. In addition, insurance quotes must be obtained from the open market every three years.

Subcommittee Discussion of Policy and Budget Options (4:25 PM). The LFC Wildfire Recovery Subcommittee discussed various recommendations and ongoing efforts to address the aftermath of wildfires and flooding in New Mexico, particularly the need for continued funding, strategic planning, and collaboration with local communities. Key points included the prioritization of projects to address immediate needs while planning for long-term recovery and the necessity of assessing wildfire risks, particularly in relation to insurance coverage and the effectiveness of neighborhood-wide solutions. Representative Vincent expressed concern about depleting resources for recovery efforts in Lincoln County. LFC Director Charles Sallee outlined challenges in financial management, including the need for better risk reduction strategies and timely reimbursement of disaster funds, and the importance of reforming financial responses to emergencies. Finally, Representative Sariñana raised concerns about the long-term impact of climate change and the need to transition away from fossil fuels to renewable energy to address the root causes of disasters like wildfires and floods.

With no further business, the meeting adjourned at 5:00 p.m.


George K. Muñoz, Chairman


Nathan P. Small, Vice Chairman