

HOUSE FLOOR SUBSTITUTE FOR
HOUSE BILL 52

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

AN ACT

RELATING TO PUBLIC PROPERTY; ALLOWING SCHOOL DISTRICTS TO
CHOOSE NOT TO INSURE VACANT OR ABANDONED BUILDINGS.

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

Section 1. Section 13-5-3 NMSA 1978 (being Laws 1977,
Chapter 385, Section 13) is amended to read:

"13-5-3. PUBLIC PROPERTY--LOCAL PUBLIC BODIES--
INSURANCE--RESERVES FOR LOSSES.--

A. Except as otherwise provided in this subsection,
local public bodies shall purchase insurance for public
buildings under their control against loss or damage by fire,
windstorm, hail, smoke, explosion, riot or civil commotion in
an amount not less than eighty percent of the replacement cost
or actual cash value of the building. The public school
insurance authority may require a public school district to

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1 inform the authority of the location and general description of
2 every public building in its possession or control that the
3 public school district desires to insure. If the public school
4 district does not inform the authority in writing of a vacant
5 or abandoned building in its possession or control or if the
6 authority after reviewing a valuation of an abandoned or vacant
7 building in the possession or control of a public school
8 district determines the annual cost of continuing insurance
9 exceeds the value of the building, the building need not be
10 insured for loss or damage by fire, windstorm, hail, smoke,
11 explosion, riot or civil commotion.

12 B. Local public bodies may purchase insurance,
13 establish reserves or provide a combination of insurance and
14 reserves to:

15 (1) repair or replace their buildings if
16 damaged by any peril other than a peril set forth in Subsection
17 A of this section;

18 (2) repair or replace any personal property
19 [~~which~~] that is destroyed or damaged by any peril; or

20 (3) replace any personal property [~~which~~] that
21 is stolen.

22 C. Any insurance purchased pursuant to Subsections
23 A and B of this section may be purchased with such deductible
24 provisions as may be deemed desirable.

25 D. For purposes of this section, "local public

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1 body" means all political subdivisions of the state and their
2 agencies, instrumentalities and institutions."

3 Section 2. EFFECTIVE DATE.--The effective date of the
4 provisions of this act is July 1, 2007.

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