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FISCAL IMPACT REPORT

ORIGINAL DATE 2/5/07

SPONSOR Stapleton LAST UPDATED 3/15/07 HB 377/aSF1

SHORT TITLE Firefighters' Survivors Supplemental Benefits SB _____

ANALYST Earnest

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	(\$50.0)	*(\$0.1)	Recurring	Fire Protection Fund
	\$50.0	*\$0.1	Recurring	Firefighters' Survivors Fund

(Parenthesis () Indicate Revenue Decreases)

*Unknown but there may be a shift of revenue from the fire protection fund to the newly created firefighters' survivors benefit fund.

Duplicates Senate Bill 329
Companion to House Bill 484

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals, and Natural Resources Department (EMNRD)

Responses Not Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of SFI Amendment

The Senate Floor amendment adds a new section to provide for a distribution from the fire protection fund to the firefighters' survivors fund, whenever the state fire marshal certifies that the balance in the fund is less than \$50,000.

Fiscal implications: The bill, as amended, establishes a minimum balance of \$50,000 in the

firefighters' survivors fund and, to maintain the balance, creates an annual distribution from the fire protection fund. Thus, the revenue impact to the fire protection fund would be \$50,000 in FY08. The FY09 impact is unknown.

The death benefit to the surviving spouse is \$50,000, which is set as the minimum balance of the new fund. It is unclear what happens should more than one firefighter die in the line of duty in a year. The fund may have an insufficient balance to pay the benefits.

Synopsis of Original Bill

House Bill 377, to be cited as the Firefighters' Survivors Supplemental Benefits Act, establishes the Firefighters' Survivors Fund, creates the Firefighters' Survivors Supplemental Death Benefits Review Committee, provides supplemental death benefits for surviving spouses and family.

HB 377 defines a firefighter as any full- or part-time member or a volunteer member of a fire department that is part of or administered by the state or any political subdivision of the state and any red-carded firefighter trained in wildland firefighting skills and hired by the State of New Mexico.

The State Fire Marshal will administer the Firefighters' Survivors Fund, which will consist of all gifts, donations and bequests of money as well as appropriations and distributions to the fund. The fund will not revert to the general fund.

The Firefighters' Survivors Supplemental Death Benefits Review Committee will consist of the Attorney General, the President of the New Mexico Fire Chief's Association and the State President of the New Mexico Professional Firefighters Association or their designees. The Committee will determine whether a firefighter has been killed in the line of duty and advise the State Fire Marshal of the determination. In addition to any other death benefit, the beneficiaries will be paid \$50,000 from the fund as a supplemental death benefit whenever a firefighter is killed in the line of duty.

The benefit will be paid entirely to the surviving spouse. If no spouse exists, the benefit will be paid in pro rata shares to all surviving children. If there are no children or spouse, the benefit will be paid to the surviving parents of the firefighter.

FISCAL IMPLICATIONS

The bill makes no appropriation or distribution to the newly created fund, but its companion bill, House Bill 484, would establish a special license plate from which fees would be distributed to the fund.

Continuing Appropriations language

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

EMNRD notes that a firefighter's income is often relatively small and the firefighter does not have sufficient life insurance to provide for the family if killed in the line of duty. There have been instances where families of firefighters killed in the line of duty have been left without adequate financial resources.

The Forestry Division of EMNRD has approximately 46 full-time, red card qualified employees whose families would qualify for this benefit if killed in the line of duty. During a severe fire season, the division may also employ approximately 200 additional emergency firefighters, whose families would also qualify.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 377 duplicates Senate Bill 329 and is a companion of House Bill 484. HB 484 would establish a special license plate from which fees would be distributed to the fund.

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