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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/19

SPONSOR Harper LAST UPDATED _____ HB 225

SHORT TITLE Search & Rescue Insurance Claims SB _____

ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Attorney General (NMAG)

Responses Received 2017

Department of Public Safety (DPS)

General Services Department (GSD)

SUMMARY

Synopsis of Bill

House Bill 225 amends §24-15A-5 by adding a provision that the DPS search and rescue (SAR) officer shall, with approval of the director, submit to the Risk Management Division (RMD) claims for personal property of volunteers damaged during the course of an authorized mission.

FISCAL IMPLICATIONS

GSD suggested in an 2017 analysis of an identical bill that the impact of adding personal property for volunteers would have a fiscal impact on DPS as most losses would be retained in the deductible (\$2,500 for each occurrence) and a small increase in DPS's annual premium. Losses may not be covered in their entirety because a volunteer's own comparative fault is considered in determining the net amount of covered loss.

SIGNIFICANT ISSUES

NMAG reports the bill limits insurance claims to property that is damaged during a search and rescue mission. This limitation is more restrictive than the language of NMSA 1978, Section 13-5-1 (B)(2) and (3). Section 13-5-1(B) allows the risk management division to provide insurance for “personal property that is destroyed or damaged by any peril[] or personal property that is stolen.” Given the Search and Rescue Team’s mission, during the course of an authorized mission it is likely that the volunteers’ personal property will be lost or stolen as well as damaged. As the bill is written, the Search and Rescue Resource Officer may not be able to submit a claim for a volunteer’s lost or stolen equipment. NMAG noted adding language adding “lost or stolen” on page 2, line 14 to provide broader authority for reimbursements.

DPS notes in a prior analysis to an identical bill that the bill places the responsibility of submitting claims for damage of volunteers’ personal property on DPS. Personal property could include backpacks, climbing gear, electronics, all-terrain vehicles, and a personally owned vehicle (POV). Personally owned animals such as dogs and horses are also used during the course of search and rescue missions.

ADMINISTRATIVE IMPLICATIONS

In its annual exposure survey to RMD, DPS would be required to provide a list of covered SAR-related equipment so its officers and volunteers know what is or not covered in advance.

DPS noted that SAR resource officers are required to maintain records of SAR missions and the bill would create an additional administrative burden for them.

CJ/sb