

LFC Requester:	
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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/4/26 *Check all that apply:*
Bill Number: SB 146 Original Correction
 Amendment Substitute

Sponsor: Muñoz **Agency Name and Code:** 995 NMC
Short Title: CIVIL RIGHTS ACT CLAIM CHANGES **Number:** _____
Person Writing: Hannah Kase Woods
Phone: 505-820-8102 **Email:** hwoods@nmcounties.org

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

FISCAL IMPLICATIONS

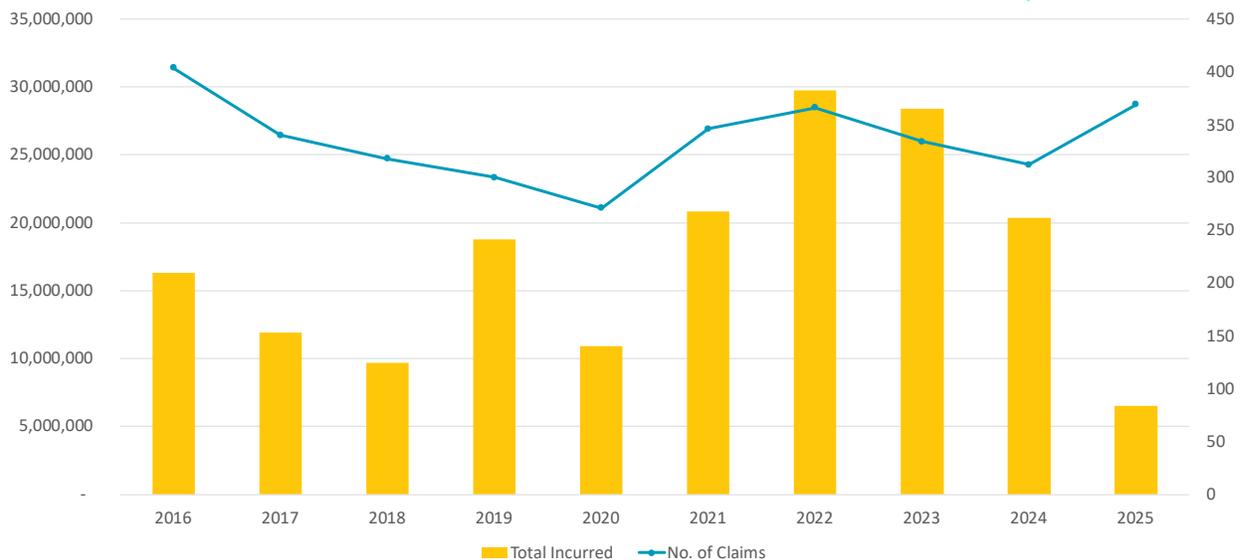
The New Mexico Civil Rights Act (NMCRA) has profoundly impacted the cost of law enforcement civil rights claims since its enactment in 2021.

New Mexico County Insurance Authority is a self-insurance pool that provides law enforcement liability coverage for member counties, which are subject to a \$2 million cap on state law enforcement liability claims.

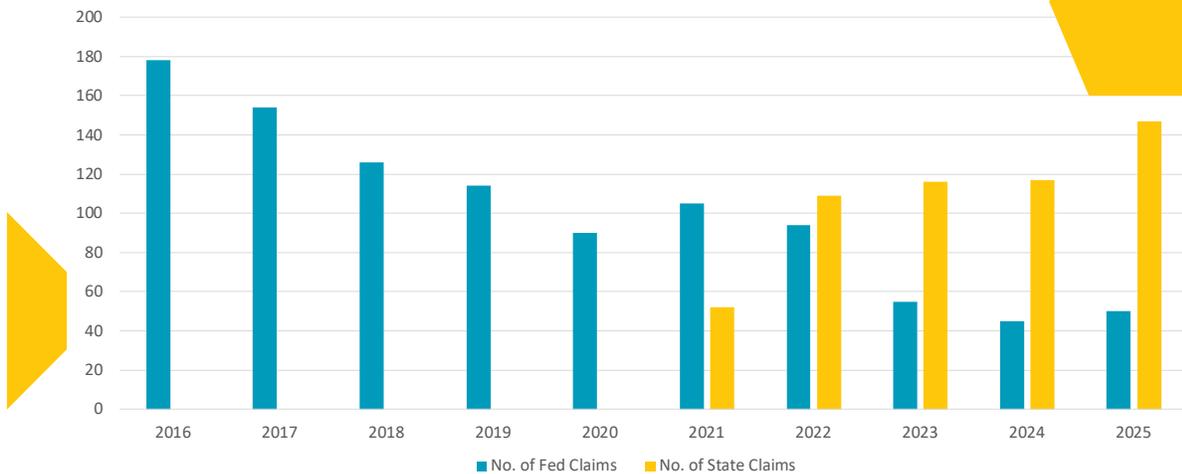
While the pool has not experienced a material increase in the number of claims, the cost of those claims has increased exponentially. Total costs incurred increased from \$10,906,759 in 2020 to \$20,829,493 in 2021 and \$29,729,284 in 2022. More recent years remain undeveloped, but all indications suggest that this disturbing trend will continue. Total costs incurred for 2023 is \$28,377,469; however, the actuary calculates that this only includes 78.5% of claims for that year, and to date the pool has only paid 42.5% for 2023 claims.

The NMCRA created an environment that facilitates escalating costs through automatic liability cap increases, the ability to stack damages under both the NMCRA and the Tort Claims Act, and the provision for allowing multiple caps based on the number of claimants. In addition, because the standard of proof is unclear, it encourages litigants to seek enhanced civil rights damages and attorney fees for claims arising from mere negligence.

LE Frequency and Severity – 10 Years

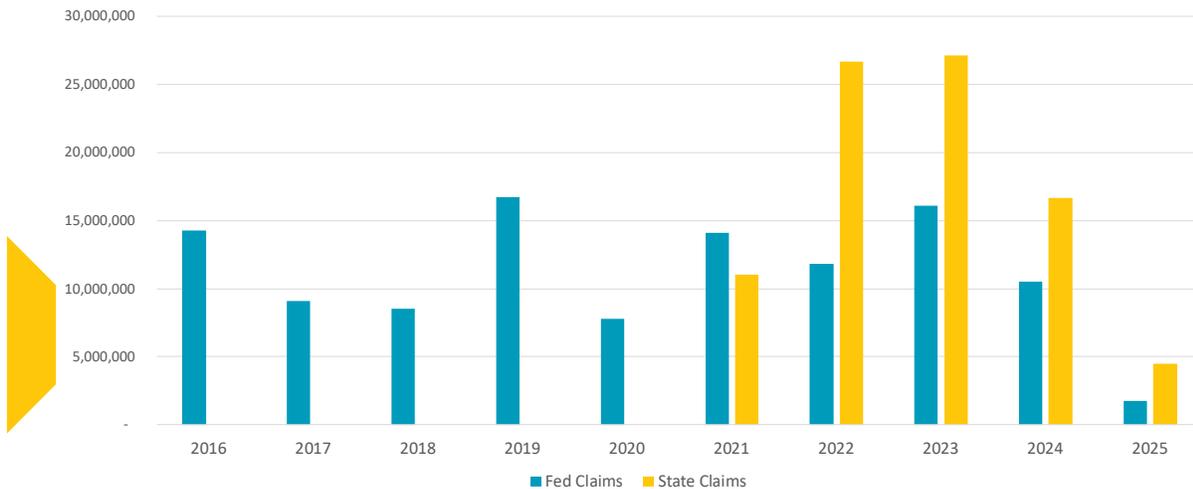


Number of LE Federal and State Civil Rights Claims



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Total Incurred for Federal versus State LE Civil Rights Claims

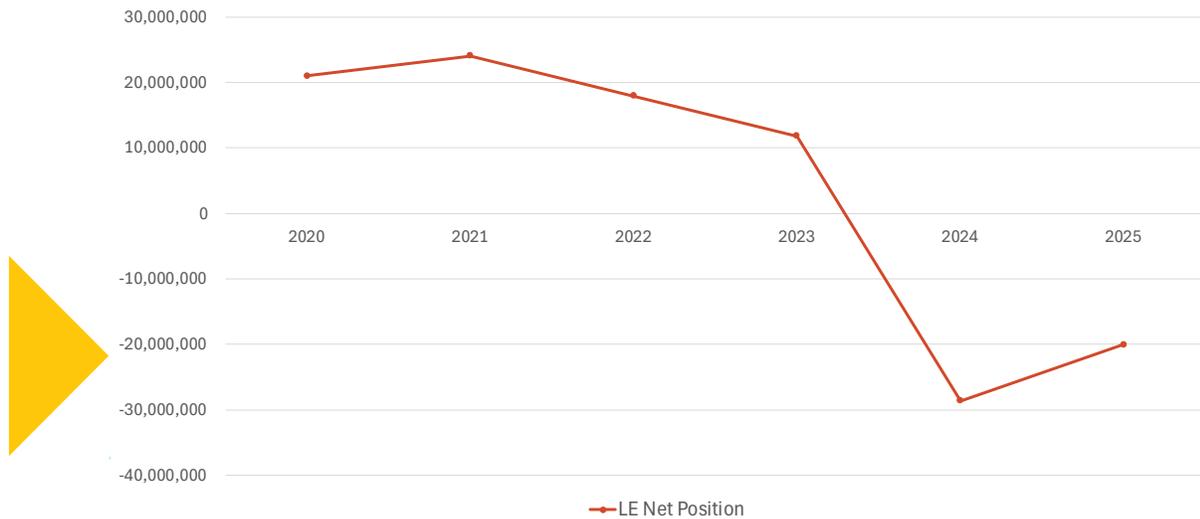


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Following enactment of the NMCRA, commercial carriers fled the LE liability market. Today, commercial coverage is only available to counties willing and able to absorb a \$500,000 deductible.

The sharply escalating cost of LE liability claims has forced the pool to substantially increase member contributions, which rose by 106% (\$17.5M) from 2020 to 2026. These fixed recurring costs are expected to continue increasing at an annual rate of approximately 25% unless legislature undertakes meaningful reform of the NMCRA. The resulting claims cost trajectory is unsustainable. Despite these significant contribution increases, the Pool's LE program's net position has dropped by over \$40 million.

Law Enforcement Net Position



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SB146 will address the challenges created by the NMCRA in several important ways. First and foremost, it will restore a reasonable cap on damages. It will clarify that damage awards cannot be “stacked” and it will make explicit the appropriate standard of proof for a civil rights claim.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS