

**LFC Requester:** \_\_\_\_\_

**AGENCY BILL ANALYSIS**

**SECTION I: GENERAL INFORMATION**

*Check all that apply:*

**Original**     X  **Amendment**    \_\_\_\_\_  
**Correction**    \_\_\_\_\_ **Substitute**    \_\_\_\_\_

**Date**  1/28/26   
**Bill No:**  SB 154

**Sponsor:**  Senator Katy Duhigg   
**Short**     Insurance Coverage for Wildfire and Floods

**Agency Name and Code**     EMNRD 521   
**Number:** \_\_\_\_\_  
**Person Writing**     Ben Bajema   
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY27	FY28	FY29		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(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**

SB 154 will enact a new section of the New Mexico Insurance Code [Chapter 59A, Article 18 NMSA 1978] to require that coverage for loss from a wildfire include coverage for loss from related flood damage.

### **FISCAL IMPLICATIONS**

### **SIGNIFICANT ISSUES**

Wildfires are occurring in New Mexico at greater severity and damage to watersheds is resulting in increasingly destructive post-fire flooding. Three examples are the 2011 Las Conchas Fire that flooded Cochiti and Bland Canyons in Sandoval County and reached the Rio Grande, 2022 Hermits Peak Calf Canyon Fire that flooded Gallinas Canyon, Rio de las Casas and many other watersheds in San Miguel and Mora County, and 2024 South Fork and Salt Fires that caused destructive flooding along the Rio Ruidoso and tributaries in Otero and Lincoln Counties.

SB 154 will protect property owners from flooding caused by a wildfire by updating wildfire insurance coverage to include damage from related flooding and flood damage. SB154 lists landslides, debris flows, mudflows, mudslides, or other similar events, as covered losses for five years after the wildfire is controlled. Five years is a conservative estimate of the duration of watershed instability after wildfire.

### **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If SB 154 is not enacted, property insurance coverage for wildfire will not include the post-fire flooding and flood damage that in some circumstances is more devastating than the wildfire.

## **AMENDMENTS**