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HOUSE BILL 306

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

David M Parsons

AN ACT

RELATING TO PUBLIC EMPLOYEES; CHANGING GROUP INSURANCE PROVISIONS FOR POLITICAL SUBDIVISIONS WITH TWENTY-FIVE EMPLOYEES OR FEWER.

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

Section 1. Section 10-7-4 NMSA 1978 (being Laws 1941, Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE- - CAFETERIA PLAN- - CONTRIBUTIONS FROM PUBLIC FUNDS. - -

A. All state departments and institutions and all political subdivisions of the state, excluding municipalities, ~~and~~ counties and political subdivisions of the state with twenty-five employees or fewer, shall cooperate in providing group term life, medical or disability income insurance for the benefit of eligible employees or salaried officers of the

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1        respective departments, institutions and subdivisions.

2                    B.    The group insurance contributions of the state  
3        or any of its departments or institutions, including  
4        institutions of higher education and the public schools, shall  
5        be made as follows:

6                    (1)    seventy-five percent of the cost of the  
7        insurance of an employee whose annual salary is less than  
8        fifteen thousand dollars (\$15,000);

9                    (2)    seventy percent of the cost of the  
10       insurance of an employee whose annual salary is fifteen  
11       thousand dollars (\$15,000) or more but less than twenty  
12       thousand dollars (\$20,000);

13                   (3)    sixty-five percent of the cost of the  
14       insurance of an employee whose annual salary is twenty  
15       thousand dollars (\$20,000) or more but less than twenty-five  
16       thousand dollars (\$25,000); or

17                   (4)    sixty percent of the cost of the  
18       insurance of an employee whose annual salary is twenty-five  
19       thousand dollars (\$25,000) or more.

20                   As used in this subsection, "cost of the insurance" means  
21       the premium required to be paid to provide coverages. Any  
22       contributions of the political subdivisions of the state,  
23       except the public schools and political subdivisions of the  
24       state with twenty-five employees or fewer, shall not exceed  
25       sixty percent of the cost of the insurance.

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1 C. When a public employee elects to participate in  
2 a cafeteria plan as authorized by the Cafeteria Plan Act and  
3 enters into a salary reduction agreement with the governmental  
4 employer, the provision of Subsection B of this section with  
5 respect to the maximum contributions that can be made by the  
6 employer are not violated and will still apply. The employer  
7 percentage or dollar contributions as provided in Subsection B  
8 of this section shall be determined by the employee's gross  
9 salary prior to any salary reduction agreement.

10 D. Any group medical insurance plan offered  
11 pursuant to this section shall include effective  
12 cost-containment measures to control the growth of health care  
13 costs. The responsible public body that administers a plan  
14 offered pursuant to this section shall report annually by  
15 September 1 to appropriate interim legislative committees on  
16 the effectiveness of the cost-containment measures required by  
17 this subsection. "

18 Section 2. Section 10-7-4.2 NMSA 1978 (being Laws 1991,  
19 Chapter 191, Section 1, as amended) is amended to read:

20 "10-7-4.2. GROUP INSURANCE-- COUNTIES AND  
21 MUNICIPALITIES-- CONTRIBUTIONS-- DEFINITION-- EXEMPTION FROM  
22 STATE PLAN. --

23 A. All municipalities, [~~and~~] counties and  
24 political subdivisions with twenty-five employees or fewer  
25 shall cooperate in providing group term life, medical or

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1 disability income insurance for the benefit of eligible  
2 employees or salaried officers of the respective departments,  
3 institutions and subdivisions.

4 B. Municipalities, [~~and~~] counties and political  
5 subdivisions with twenty-five employees or fewer may  
6 contribute any amount up to one hundred percent of the cost of  
7 the insurance. As used in this section, "cost of the  
8 insurance" means the premium required to be paid to provide  
9 coverages.

10 C. When a public employee elects to participate in  
11 a cafeteria plan as authorized by the Cafeteria Plan Act and  
12 enters into a salary reduction agreement with a municipal or  
13 county employer, the provisions of Subsection B of this  
14 section with respect to the maximum contributions that can be  
15 made by the employer are not violated and will still apply.  
16 The employer contributions as provided in Subsection B of this  
17 section shall be determined by the employee's gross salary  
18 prior to any salary reduction agreement.

19 D. Any group medical insurance plan offered  
20 pursuant to this section shall include effective  
21 cost-containment measures to control the growth of health care  
22 costs. The responsible public body that administers a plan  
23 offered pursuant to this section shall report annually by  
24 September 1 to appropriate interim legislative committees on  
25 the effectiveness of the cost-containment measures required by

1 this subsection.

2 E. Exempt from the provisions of Section  
3 10-7-4 NMSA 1978 are all municipalities, [~~and~~] counties and  
4 political subdivisions with twenty-five employees or fewer."

5 Section 3. EFFECTIVE DATE. --The effective date of the  
6 provisions of this act is July 1, 1999.

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1 FORTY-FOURTH LEGISLATURE  
2 FIRST SESSION, 1999  
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6 February 9, 1999  
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8 Mr. Speaker:  
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10 Your BUSINESS AND INDUSTRY COMMITTEE, to whom has  
11 been referred  
12

13 HOUSE BILL 306  
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15 has had it under consideration and reports same with  
16 recommendation that it DO PASS, and thence referred to the  
17 APPROPRIATIONS AND FINANCE COMMITTEE.

18 Respectfully submitted,  
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22 \_\_\_\_\_  
23 Debbie A. Rodella, Vice  
24 Chairwoman  
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FORTY-FOURTH LEGISLATURE  
FIRST SESSION, 1999

3 HBIC/HB 306

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4 Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

6 (Chief Clerk)

(Chief Clerk)

8 Date \_\_\_\_\_

10 The roll call vote was 11 For 0 Against

11 Yes: 11

12 Excused: Luna

13 Absent: None

15 J: \99BillSWP\h0306

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1 FORTY- FOURTH LEGISLATURE  
2 FIRST SESSION, 1999

3  
4 February 22, 1999

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7 Mr. Speaker:

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9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to  
10 whom has been referred

11 HOUSE BILL 306

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13 has had it under consideration and reports same with  
14 recommendation that it DO PASS.

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16 Respectfully submitted,

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21 Max Coll, Chair man  
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FORTY-FOURTH LEGISLATURE  
FIRST SESSION, 1999

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 16 For 0 Against

Yes: 16

Excused: Marquardt

Absent: None

J: \99BillSWP\h0306

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FORTY-FOURTH LEGISLATURE  
FIRST SESSION, 1999

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FORTY-FOURTH LEGISLATURE  
FIRST SESSION, 1999

March 4, 1999

Mr. President:

Your CORPORATIONS & TRANSPORTATION COMMITTEE, to  
whom has been referred

HOUSE BILL 306

has had it under consideration and reports same with  
recommendation that it DO PASS.

Respectfully submitted,

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Roman M. Maes, Chairman

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FORTY-FOURTH LEGISLATURE  
FIRST SESSION, 1999

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Adopted \_\_\_\_\_ Not

Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 6 For 1 Against

Yes: 6

No: Rawson

Excused: Aragon, Macias, Robinson

Absent: None

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