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AN ACT

RELATING TO SOIL AND WATER CONSERVATION DISTRICTS; ALLOWING ELECTED OR APPOINTED SUPERVISORS TO OPT INTO THE STATE GROUP INSURANCE BENEFITS; AMENDING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 10-7B-2 NMSA 1978 (being Laws 1989, Chapter 231, Section 2, as amended by Laws 2005, Chapter 301, Section 2 and by Laws 2005, Chapter 305, Section 2) is amended to read:

"10-7B-2. DEFINITIONS.--As used in the Group Benefits Act:

A. "committee" means the group benefits committee;

B. "director" means the director of the risk management division of the general services department;

C. "employee" means a salaried officer, employee or legislator of the state; a salaried officer or an employee of a local public body; or an elected or appointed supervisor of a soil and water conservation district;

D. "local public body" means any New Mexico incorporated municipality, county or school district;

E. "professional claims administrator" means any person or legal entity that has at least five years of experience handling group benefits claims, as well as such other qualifications as the director may determine from time

1 to time with the committee's advice;

2 F. "small employer" means a person having  
3 for-profit or nonprofit status that employs an average of  
4 fifty or fewer persons over a twelve-month period; and

5 G. "state" or "state agency" means the state of  
6 New Mexico or any of its branches, agencies, departments,  
7 boards, instrumentalities or institutions."

8 Section 2. Section 10-7B-5 NMSA 1978 (being Laws 1989,  
9 Chapter 231, Section 5, as amended by Laws 2005, Chapter 301,  
10 Section 3 and by Laws 2005, Chapter 305, Section 3) is  
11 amended to read:

12 "10-7B-5. ADMINISTRATIVE COSTS.--The director, with the  
13 prior approval of the committee, may apportion the costs of  
14 employee benefits administration and other employee benefit  
15 costs to all participating state agencies and their  
16 employees, participating local public bodies and their  
17 employees, participating small employers and persons and  
18 dependents eligible through the small employer and  
19 participating soil and water conservation district  
20 supervisors and their covered dependents, whether the plan is  
21 insured or self-insured."

22 Section 3. Section 10-7B-6 NMSA 1978 (being Laws 1989,  
23 Chapter 231, Section 6, as amended) is amended to read:

24 "10-7B-6. STATE EMPLOYEES GROUP BENEFITS SELF-INSURANCE  
25 PLAN--AUTHORIZATION--LOCAL PUBLIC BODY PARTICIPATION.--

1           A. The risk management division of the general  
2 services department may, with the prior advice of the  
3 committee, establish and administer a group benefits  
4 self-insurance plan, providing life, vision, health, dental  
5 and disability coverages, or any combination of such  
6 coverages, for employees of the state and of participating  
7 local public bodies. Any such group benefits self-insurance  
8 plan shall afford coverage for employees' dependents at each  
9 employee's option. Any such group benefits self-insurance  
10 plan may consist of self-insurance or a combination of  
11 self-insurance and insurance; provided that particular  
12 coverages or risks may be fully insured, fully self-insured  
13 or partially insured and partially self-insured.

14           B. The director, with the advice of the committee,  
15 shall establish by regulation or letter of administration the  
16 types, extent, nature and description of coverages, the  
17 eligibility rules for participation, the deductibles, rates  
18 and all other matters reasonably necessary to carry on or  
19 administer a group benefits self-insurance plan established  
20 pursuant to Subsection A of this section.

21           C. The contribution of each participating state  
22 agency to the cost of any such group benefits self-insurance  
23 plan shall not exceed that percentage provided for state  
24 group benefits insurance plans as provided by law. The  
25 contribution of a participating local public body to the cost

1 of any such group benefits self-insurance plan shall not  
2 exceed that percentage provided for local public body group  
3 benefits insurance plans as provided by law.

4 D. Except as provided in Subsection E of this  
5 section, public employees' contributions to the cost of any  
6 group benefits self-insurance plan may be deducted from their  
7 salaries and paid directly to the group self-insurance fund;  
8 provided that where risks are insured or reinsured, the  
9 director may authorize payment of the costs of such insurance  
10 or reinsurance directly to the insurer or reinsurer.

11 E. A legislator and the legislator's covered  
12 dependents and a soil and water conservation district  
13 supervisor or the supervisor's covered dependents are  
14 eligible to participate in and receive benefits from the  
15 group benefits self-insurance plan if the legislator or  
16 supervisor pays monthly premiums in amounts that equal one  
17 hundred percent of the cost of the insurance. The premiums  
18 shall be paid directly to the group self-insurance fund;  
19 provided that where risks are insured or reinsured, the  
20 director may authorize payment of the premiums directly to  
21 the insurer or reinsurer.

22 F. Local public bodies and state agencies that are  
23 not participating in the state group benefits insurance plan  
24 or self-insurance plan may elect to participate in any group  
25 benefits self-insurance plan established pursuant to

1 Subsection A of this section by giving written notice to the  
2 director on a date set by the director, which date shall not  
3 be later than ninety days prior to the date participation is  
4 to begin. The director shall determine an initial rate for  
5 the electing entity in accordance with a letter of  
6 administration setting forth written guidelines established  
7 by the director with the committee's advice. The initial  
8 rate shall be based on the claims experience of the electing  
9 entity's group for the three immediately preceding continuous  
10 years. If three years of continuous experience is not  
11 available, a rate fixed for the entity by the director with  
12 the committee's advice shall apply, and the electing entity's  
13 group shall be rerated on the first premium anniversary  
14 following the date one full year of experience for the group  
15 becomes available. Any such election may be terminated  
16 effective not earlier than June 30 of the third calendar year  
17 succeeding the year in which the election became effective or  
18 on any June 30 thereafter. Notice of termination shall be  
19 made in writing to the director not later than April 1  
20 immediately preceding the June 30 on which participation will  
21 terminate. A reelection to participate in the plan following  
22 a termination may not be made effective for at least three  
23 full years following the effective date of termination.

24 G. As soon as practicable, the director with the  
25 committee's advice shall establish an experience rating plan

1 for state agencies and local public bodies participating in  
2 any group benefits self-insurance plan created pursuant to  
3 Subsection A of this section. Rates applicable to state  
4 agencies and participating local public bodies shall be based  
5 on such experience rating plan. Any such experience rating  
6 plan may provide separate rates for individual state agencies  
7 and individual local public bodies or for such other  
8 experience centers as the director may determine."

9 Section 4. Section 73-20-40 NMSA 1978 (being Laws 1965,  
10 Chapter 137, Section 14, as amended) is amended to read:

11 "73-20-40. SELECTION OF SUPERVISOR CHAIRMAN--QUORUM--  
12 COMPENSATION.--Within a reasonable time after each district  
13 election and after newly elected supervisors have completed  
14 the oath of office, the supervisors of a district shall  
15 organize and shall designate a chairman who shall be a  
16 supervisor and who shall serve at the pleasure of the  
17 supervisors. In the performance of district functions, a  
18 majority of supervisors shall constitute a quorum; the  
19 concurrence of the quorum majority shall be required to carry  
20 or to determine any matter of district business. Supervisors  
21 shall not receive compensation for their services but shall  
22 be entitled to be reimbursed in accordance with the  
23 provisions of the Per Diem and Mileage Act. Supervisors may  
24 purchase group health insurance benefits for themselves and  
25 their dependents pursuant to the Group Benefits Act and

1 pursuant to the rules and procedures set forth by that act  
2 and the risk management division of the general services  
3 department."

4 Section 5. EFFECTIVE DATE.--The effective date of the  
5 provisions of this act is July 1, 2006. \_\_\_\_\_

SB 613  
Page 7

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