

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill No: HB 52

48th Legislature, 1st Session, 2007

Short Title: School District Insurance of Vacant Buildings

Sponsor(s): Representative Thomas E. Swisstack and Others

Analyst: James Ball

Date: January 22, 2007

Bill Summary:

HB 52 amends current state statute related to insurance requirements on public buildings. The bill would allow local school boards to choose not to insure vacant or abandoned buildings that they own for loss or damage by fire, windstorm, hail, smoke, explosion, riot, or civil commotion.

Fiscal Impact:

The bill does not impact the General Fund. Allowing abandoned or vacant school facilities to be exempt from holding property insurance, however, could result in savings to the New Mexico Public School Insurance Authority (NMPSIA). For example, NMPSIA must cover the loss of an abandoned school property that burns because school districts are required by statute to carry such insurance even if the destruction of the abandoned property does not represent any real financial loss for the district.

Issues:

The bill refers solely to an exemption from property insurance for vacant and abandoned school buildings. There is no reference in the bill related to liability insurance on such properties. Liability insurance would still be necessary in order to protect a district from claims resulting from accidents or injury to anyone who might enter such buildings.

Related Bills:

None