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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/10

SPONSOR Gardner LAST UPDATED _____ HB 110

SHORT TITLE Review Government Attorney Fees Before Payment SB _____

ANALYST Archuleta

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Indeterminate –Insignificant				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)

SUMMARY

Synopsis of Bill

House Bill 110 amends the Tort Claims Act by adding language to Section 41-4-14 relating to the payment of attorney fees. House Bill 110 requires an attorney representing a government agency or public employee to examine and verify any claims plaintiffs make for attorney fees and costs as part of a settlement of a case or when a judgment is rendered against a governmental agency or employee. The legislation also requires that the attorney representing the governmental agency or employee object to any payment of plaintiff's request for attorney fees and costs that were not considered reasonably necessary for the prosecution of a claim or claims.

House Bill 110 also adds a new subsection (D) that requires a determination that the legal fees and costs charged by a contract attorney, or law firm, in the defense of a claim or claims against a governmental entity or public employee were also reasonably necessary. Additionally, there are several sections or subsections found in 41-4-1; 41-4-23 B (8) and E that contain clean up language of gender references or grammatical corrections.

FISCAL IMPLICATIONS

According to GSD, there is no fiscal impact to the department.

ADMINISTRATIVE IMPLICATIONS

GSD notes that since, Risk Management Division, Legal Bureau already reviews the billing invoices submitted by its contract attorneys for appropriateness and necessity and makes such objections to unnecessary fees and costs of Plaintiff(s) attorneys in any settlement that is made, or any judgment that is rendered against the State of New Mexico, its governmental agencies or public employees, basically there are no adverse consequences if this bill is not passed.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

GSD notes that there are no adverse consequences if this bill is not passed.

DA/mt