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FISCAL IMPACT REPORT

ORIGINAL DATE 01/26/11
 LAST UPDATED 02/28/11 **HB** _____

SPONSOR Griego, P.

SHORT TITLE Actions Against Cities Statute of Limitations **SB** 45/aSPAC/aSJC/aSFI#1

ANALYST Daly

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		NFI	NFI	NFI	N/A	None

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

General Services Department (GSD)

No Response

Municipal League

SUMMARY

Synopsis of SFI Amendment #1

The Senate Floor Amendment #1 changes the title of the bill to more generally refer to “actions against municipalities”, in keeping with the substance of the bill as amended.

Synopsis of SJC Amendment

The Senate Judiciary Committee Amendment restores the statute of limitations for actions based on contracts, trust relations, ordinances and certain real and personal property disputes to three years, the time in current statute.

Synopsis of SPAC amendment

The Senate Public Affairs Committee amendment changes the statute of limitations for actions based on personal injury and death from one to two years.

Synopsis of Original Bill

Senate Bill 45 proposes to amend the statute of limitations for suits filed against any city, town, or village in New Mexico. The amendment would reduce the period in which suits concerning any ordinance, trust relation or contract, or any appropriation or conversion of any real or

personal property could be filed from within three years to within two years following the date of the action or inaction giving rise to the claim.

SIGNIFICANT ISSUES

The GSD reports that SB 45 reduces the time limit for bringing an action against a municipality or any of its officers arising out of any ordinance, trust relation, contract, or certain real or personal property dispute, from three to two years from the date of commission or omission, and thus resolves a conflict with another section of the law relating to limitation of actions against government entities that requires actions under a contract to be “brought within two years from the time of accrual.”

This bill if enacted likely will reduce the number of lawsuits filed against cities, towns and villages on contract, trust relations, ordinances, or certain real or personal property disputes.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Cities, towns and villages will be subject to lawsuits of the types described above if they are filed within three years of the action or inaction which gives rise to these types of claims.

MD/bym:svb