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| LFC Requester: | |
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date 1.19.24
Bill No: SB 115

Sponsor: Bill Tallman
Short SB 115
Title: _____

Agency Name and Code CYF 6900
Number: _____
Person Writing Justin Boyd
Phone: 505-412-2993 **Emai** Justin.Boyd@cyfd.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY24 | FY25 | | |
| | | | |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY24 | FY25 | FY26 | | |
| | | | | |
| | | | | |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY24 | FY25 | FY26 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|-------------|-------------|-------------|------------------------------|--------------------------------------|--------------------------|
| Total | | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: If enacted SB 115 would:

Amend 15-7-3(A)(2) NMSA 1978 by adding subsection (a) which would limit the amount of coverage that Risk Management Division (RMD) would be able to procure to not exceed:

- Five hundred thousand dollars (\$500,000) for insurance for property damages.
- One million fifty thousand dollars (\$1,050,000) for general liability insurance.
- The limits established in Section 41-4A-6 NMSA 1978 for civil rights liability.

Amend 15-7-3(A)(4) NMSA 1978 by

- Mandating that any compromise, adjustment, or settlement of a claim be approved in writing by the secretary of finance and administration for
 - A payment from the public property reserve fund in excess of two hundred and fifty thousand dollars (\$250,000); or
 - A payment from the public liability fund in excess of five hundred thousand dollars (\$500,000).

Amend 15-7-3(C) NMSA 1978 by:

- Mandating that the secretary of finance and administration notify the legislative finance committee of settlement approvals pursuant to 15-7-3(A)(4).

FISCAL IMPLICATIONS

CYFD anticipates that this bill may increase the workload for the Office of General Counsel to ensure compliance with the notice requirements but cannot accurately estimate the increase to determine if additional FTE are necessary.

SIGNIFICANT ISSUES

SB 115 would complicate the already often difficult settlement approval process by adding additional bureaucratic layers to obtain the required approval. SB 115 may also impact CYFD's ability to resolve disputes by diminishing the authority of RMD and its secretary to both settle claims and obtain insurance coverage in an efficient and cost-effective manner.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

SB 115 would create numerous hardships in regard to obtaining settlement authority in a timely and efficient manner. By adding additional layers of bureaucracy, SB 115 has the potential to greatly complicate and delay attempts to settle and mediate numerous cases. The potential delays incurred by these additional mandated levels of approval could have a negative impact on RMD's ability to quickly dispose of otherwise costly legal matters by extending litigation and increasing the often extremely high associated costs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

N/A