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SENATE BILL 182

**57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

INTRODUCED BY

Pat Woods

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO PUBLIC LIABILITY; ESTABLISHING COVERAGE LIMITS ON INSURANCE COVERAGE OFFERED BY THE RISK MANAGEMENT DIVISION OF THE GENERAL SERVICES DEPARTMENT; AMENDING SECTION 15-7-3 NMSA 1978 (BEING LAWS 1978, CHAPTER 166, SECTION 8, AS AMENDED).

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

SECTION 1. Section 15-7-3 NMSA 1978 (being Laws 1978, Chapter 166, Section 8, as amended) is amended to read:

"15-7-3. ADDITIONAL POWERS AND DUTIES OF THE RISK MANAGEMENT DIVISION.--

A. The risk management division of the general services department may:

- (1) enter into contracts;
- (2) procure insurance, reinsurance or employee

group benefits; provided that:

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1                   (a) coverage shall not exceed: 1) five  
2 hundred thousand dollars (\$500,000) for insurance for property  
3 damages; 2) one million fifty thousand dollars (\$1,050,000) for  
4 general liability insurance; and 3) the limits established in  
5 Section 41-4A-6 NMSA 1978 for civil rights liability;

6                   (b) any proposal or contract for the  
7 procurement of any group health care benefits shall be subject  
8 to the provisions of the Health Care Purchasing Act; and  
9 [provided further that]

10                   (c) reinsurance or excess coverage  
11 insurance may be placed by private negotiation, notwithstanding  
12 the provisions of the Procurement Code, if the insurance or  
13 reinsurance has a restricted number of interested carriers, the  
14 board determines that the coverage is in the interest of the  
15 state and cannot otherwise be procured for a reasonable cost  
16 and the director seeks the advice and review of the board in  
17 the placement and in designing private negotiation procedures;

18                   (3) in the manner prescribed by Subsection E  
19 of Section 9-17-5 NMSA 1978, after a notice and a public  
20 hearing, prescribe by rule reasonable and objective  
21 underwriting and safety standards for governmental entities and  
22 reasonable standards for municipal self-insurance pooling  
23 agreements covering liability under the Tort Claims Act and  
24 adopt such other ~~[regulations]~~ rules as may be deemed  
25 necessary;

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1 (4) compromise, adjust, settle and pay claims;

2 (5) pay expenses and costs;

3 (6) in the manner prescribed by Subsection E  
4 of Section 9-17-5 NMSA 1978, prescribe by rule the rating  
5 bases, assessments, penalties and risks to be covered by the  
6 public liability fund, the workers' compensation retention fund  
7 and the public property reserve fund and the extent such risks  
8 are to be covered;

9 (7) issue certificates of coverage in  
10 accordance with Paragraph (6) of this subsection:

11 (a) to any governmental entity for any  
12 tort liability risk covered by the public liability fund;

13 (b) to any governmental entity for any  
14 personal injury liability risk or for the defense of any errors  
15 or act or omission or neglect or breach of duty, including the  
16 risks set forth in Paragraph (2) of Subsection B and Paragraph  
17 (2) of Subsection D of Section 41-4-4 NMSA 1978; and

18 (c) to any governmental entity for any  
19 part of risk covered by the workers' compensation retention  
20 fund, the surety bond fund or the public property reserve fund;

21 (8) study the risks of all governmental  
22 entities;

23 (9) initiate the establishment of safety  
24 programs and adopt rules to carry out such programs in the  
25 manner prescribed by Subsection E of Section 9-17-5 NMSA 1978;

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1 (10) hire a safety program director who shall  
2 coordinate all safety programs of all state agencies;

3 (11) consult with and advise local public  
4 bodies on their risk management problems; and

5 (12) employ full-time legal counsel who shall  
6 be under the exclusive control and supervision of the director  
7 and the secretary of general services.

8 B. The risk management division of the general  
9 services department shall provide liability coverage for the  
10 following risks:

11 (1) a claim made pursuant to the provisions of  
12 42 USC Section 1983 against a nonprofit corporation, members of  
13 its board of directors or its employees when the claim is based  
14 upon action taken pursuant to the provisions of a contract  
15 between the corporation and the [~~department of~~] health care  
16 authority under which the corporation provides developmental or  
17 intellectual disability services to clients of the [~~department~~]  
18 authority and the claim is made by or on behalf of a client;

19 and

20 (2) a claim made pursuant to the provisions of  
21 42 USC Section 1983 against a nonprofit corporation, members of  
22 its board of directors or its employees when the corporation  
23 operates a health facility licensed by the [~~department of~~]  
24 health care authority as an intermediate care facility for  
25 [~~individuals~~] persons with developmental or intellectual

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1 disabilities and the claim is based upon action taken pursuant  
2 to the provisions of the license and is made by or on behalf of  
3 a resident of the licensed facility.

4 C. The director shall report findings and  
5 recommendations, if any, for the consideration of each  
6 legislature. The report shall include the amount and name of  
7 any person receiving payment from the public liability fund of  
8 any claim paid during the previous fiscal year exceeding one  
9 thousand dollars (\$1,000). The report shall be made available  
10 to the legislature on or before December 15 preceding each  
11 regular legislative session."