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FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino **ORIGINAL DATE** 2/13/15
LAST UPDATED _____ **HB** _____

SHORT TITLE Require Motorcycle Helmets **SB** 308

ANALYST Jorgensen

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
None	\$2,243.2	\$3,187.2	Recurring	Trauma System Fund
	\$640.9	\$910.6	Recurring	Brain Injury Service Fund
	\$320.5	\$455.3	Recurring	Fatal-Injury Diagnosis and Reporting Fund
	\$3,204.6	\$4,553.1	Recurring	TOTAL

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$72.0	None	None	\$72.0	Nonrecurring	TRD and MVD Operating

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Department of Transportation (DOT)

Governor's Commission on Disability (GCD)

SUMMARY

Synopsis of Bill

Senate Bill 308 requires motorcyclists and their passengers, regardless of their age, to wear a helmet unless the motorcycle is registered with a distinctive validating sticker signifying that the operator and passenger, if both are over the age of 18, may ride without a helmet. SB 308 sets the

standard registration fee, which requires a helmet be worn, at \$15 per year and at \$692 for the distinctive validating sticker allowing motorcyclists to ride without helmets. SB 308 directs revenue generated through the sale of the distinctive stickers to the trauma system fund, the brain injury services fund, and the fatal-injury diagnosis and reporting fund.

Additionally, SB 308 adds fines for failure to wear a motorcycle safety helmet-first offense, and failure to wear a motorcycle helmet-subsequent violation, to Section 6-8-116 NMSA 198, penalty assessment misdemeanors. The fine for a first offence would be \$300 and \$600 for a subsequent offence.

FISCAL IMPLICATIONS

The TRD estimates that enactment of the provisions of HB 308 would result in new revenues of \$3.2 million in the first year of implementation. The TRD analysis assumes that 7.5 percent of the 63 thousand currently registered motorcyclists will purchase a special registration. If this were the case, the new revenue resulting would total \$3.2 million in the first year. In the second year of implementation, TRD estimates that 2 percent of new registrations and 5 percent of renewal registrations will purchase special registrations generating revenue of \$4.55 million. These amounts are reflected in the revenue table above.

In order to implement the two-tiered motorcycle registration system, TRD estimates costs of \$30 thousand for design and purchase of the special registration stickers as well as \$42 thousand to modify IT systems to accommodate the new registration. The total impact to the operating budget of \$72 thousand is shown in the estimated additional operating budget impact table above.

New Mexico would be the first state to implement a partial helmet law involving a two-tiered motorcycle registration system based on helmet usage. Because of this, it is difficult to determine what percentage of the 63 thousand registered motorcycles will opt to register their motorcycles at the higher unhelmeted registration fee.

SIGNIFICANT ISSUES

With the enactment of SB 308, New Mexico would become the first state to implement a partial helmet law involving a two-tiered motorcycle registration system based on helmet usage.

DOT reports that in 2013 in New Mexico, 84 percent of motorcyclists (driver and passengers) killed in crashes were not wearing a helmet at the time of the crash. In 2012, the figure was 78 percent, and in 2011, 81 percent of fatalities were unhelmeted.

The national highway traffic safety administration (NHTSA) stated in their report *Traffic Safety Facts, 2011* that in States without universal helmet laws, 65 percent of motorcyclists killed in 2011 were not wearing helmets, as compared to 9 percent in States with universal helmet laws. A separate 2013 NHTSA study found that 98 percent of motorcyclists in states with universal helmet laws were wearing helmets compared with 54 percent in states without such laws.

GCD quotes Dr. Kurt Nolte, Chief Medical Investigator at UNM's Office of the Medical Investigator, as stating that the cost to New Mexicans is an average of \$40 million a year for the injuries and fatalities of unhelmeted motorcyclists. This number includes the costs of emergency

response, emergency room costs, medical care, rehabilitation, insurance premiums, disability, Medicaid services, lost wages, and lost tax revenue.

OTHER SUBSTANTIVE ISSUES

The DOH writes:

Studies looking at nonfatal injury outcomes among motorcycle riders who wore helmets versus those who did not found that hospitalized motorcycle riders who did not wear a helmet had higher health care costs. Riders who do not wear a helmet are more likely to suffer from traumatic brain injuries (TBIs). Hospital charges for those with TBIs are 13 times higher than for those without such injuries. Riders who do not wear helmets are less likely to have health insurance and are therefore more likely to require publicly funded health care.

CJ/bb