

BILL ANALYSIS AND FISCAL IMPACT REPORT
Taxation and Revenue Department

February 8, 2025

Bill: SB-319

Sponsor: Senator Katy M. Duhigg

Short Title: Minimum Car Insurance Amounts

Description: This bill amends Section 66-5-301 NMSA 1978 to require that all motor vehicle owners have some amount of uninsured and underinsured motorist coverage.

Effective Date: January 1, 2026

Taxation and Revenue Department Analyst: Htet Gonzales and Sean Bulian – Motor Vehicle Division

Estimated Revenue Impact*					R or NR**	Fund(s) Affected
FY2025	FY2026	FY2027	FY2028	FY2029		

* In thousands of dollars. Parentheses () indicate a revenue loss. ** Recurring (R) or Non-Recurring (NR).

Methodology for Estimated Revenue Impact:

Policy Issues: Requiring minimum insurance against uninsured and underinsured motorists protects drivers against financial hardships in the event of an accident where the at fault party is uninsured or underinsured. When a driver at fault in an accident lacks adequate insurance, victims can face significant out-of-pocket costs for property damage, medical bills, and lost wages. This bill requires that all drivers have sufficient coverage and that the selection is made on a per vehicle basis. By removing the option for drivers to reject this coverage, this bill helps those injured by uninsured or underinsured drivers receive the proper compensation necessary. This requirement may increase vehicle insurance costs for some drivers who may not carry the insurance or may not carry it on all vehicles. MVD currently has an average vehicle insured rate of 90 percent for all registered vehicles. This bill’s provisions may cause a decrease in the number of vehicles properly insured and more suspended registrations due to not meeting the minimum financial responsibility requirements.

Technical Issues: None.

Other Issues: MVD’s Financial Responsibility Section will need to be trained on changes to the uninsured and underinsured minimum coverage requirements when verifying insurance.

Administrative & Compliance Impact: None.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2025	FY2026	FY2027	3 Year Total Cost		

--	--	--	--	--	--

* In thousands of dollars. Parentheses () indicate a cost saving. ** Recurring (R) or Non-Recurring (NR).

[Section #]

Related Bills: [Duplicates/Conflicts with/Companion to/Relates to]