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FISCAL IMPACT REPORT

SPONSOR Ruiz DATE TYPED 2/7/05 HJM 17

SHORT TITLE Uninsured Motorist Reduction Task Force SB

ANALYST Rosen

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI		Indeterminate	Non-recurring	Indeterminate

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
 Public Regulation Commission (PRC)
 Human Services Department (HSD)

No Responses Received From
 Taxation and Revenue Department (TRD)

FOR THE CORRECTIONS OVERSIGHT, COURTS AND JUSTICE COMMITTEE

SUMMARY

Synopsis of Bill

House Joint Memorial 17 convenes a task force to study and make recommendations for reducing the number of uninsured motorist among low-income populations in New Mexico.

Significant Issues

HSD notes that it may be inaccurate to assume that addressing only the low-income populations will take care of the uninsured population. A certain number of uninsured may be risk takers who choose to invest the cost of premiums elsewhere.

According to PRC, efforts to decrease the number of uninsured low-income drivers would likely require some form of government subsidy of the automobile insurance premiums of low-income drivers.

PERFORMANCE IMPLICATIONS

TRD has a performance measure related to the percent of registered vehicles with liability insurance. This task force may identify ways and means for TRD to improve its performance relative to this measure.

FISCAL IMPLICATIONS

HSD indicates it will have the expense of diverting the time and energies of at least one designee or a back up with the expense of per diem and travel costs to attend task force meetings. If HSD is asked to provide statistical studies that are not currently available there will be computer costs associated. HSD estimates that an additional \$15,000 will be needed to cover the costs associated with participation on this Task Force.

PRC indicates fiscal implications depend on whether TRD's Motor Vehicle Division can conduct this task force and study with its current resources.

ADMINISTRATIVE IMPLICATIONS

Indeterminate for TRD. See Fiscal Implications, above, for impact on HSD.

OTHER SUBSTANTIVE ISSUES

According to HSD, there is a need to clarify the role of HSD in the task force. It is not clear whether HSD's role is to supply statistical information or to act as advocate for the low-income population, or both. As a provider of statistical information, HSD may have to run reports through the ISD2 eligibility determination and benefits issuance system and, if asked to provide information on individuals, confidentiality rules prevent disclosure of certain confidential information. Information received by HSD may or may not be representative of the total low-income population in New Mexico because typically only approximately 60% of low-income individuals participate in programs administered by HSD.

ALTERNATIVES

HSD suggests having the task force investigate and establish the make-up of the total universe of uninsured motorists and make recommendations to reduce those numbers across the board.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

Status quo

JR/njw:yr