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## FISCAL IMPACT REPORT

SPONSOR HBIC ORIGINAL DATE 03/18/09  
LAST UPDATED \_\_\_\_\_ HM CS/76/aHBIC  
SHORT TITLE Impact of Mandatory Car Insurance SB \_\_\_\_\_  
ANALYST Earnest

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		None				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of HBIC Amendment

The House Business and Industry Committee amendment strikes a legislative finding and clarifies that consideration be given to “creating an affordable alternative” to mandatory liability insurance.

#### Synopsis of Original Bill

House Business and Industry Committee (HBIC) Substitute for House Memorial 76 requests that the New Mexico Human Services Department (HSD), in collaboration with the Motor Vehicle Division of the Taxation and Revenue Department (TRD), consider the potentially negative impact of mandatory automobile liability insurance on low-income households. Consideration should be given to:

- Creating an alternative to the requirement to purchase automobile liability insurance for households between 100 percent and 250 percent of the federal poverty level.
- Applying the guidelines utilized in other HSD programs, such as temporary assistance for needy families, food stamps and Medicaid and the appropriateness of applying such guidelines to the purchase of automobile liability insurance.

The memorial resolves that HSD and TRD present the findings to the interim Legislative Health and Human Services Committee at its November meeting.

HM76 requires that a copy of this memorial be transmitted to the Secretary of the Human Services Department and the director of the Motor Vehicle Division of TRD.

**FISCAL IMPLICATIONS**

The fiscal implications for the memorial would be limited to any administrative costs at HSD and TRD. Unlike the original version, the HBIC substitute does not request a study.

**SIGNIFICANT ISSUES**

As proposed, the consideration of alternatives to insurance would exclude households below 100 percent of federal poverty level.

BE/svb