

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (www.nmlegis.gov). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/13
 LAST UPDATED 02/21/13 HB 83/aHBIC

SPONSOR Salazar, T.

SHORT TITLE Driver's Ed Insurance Reduction Age SB _____

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$0.0	\$0.0	\$0.0	Nonrecurring	None

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)
 Department of Transportation (DOT) – Traffic Safety Division
 Public Regulation Commission (PRC)

SUMMARY

Synopsis of HBIC Amendment

The House Business and Industry Committee amendment to House Bill 83 adds an effective date of January 1, 2014.

Synopsis of Original Bill

House Bill 83 amends the New Mexico Insurance Code to reduce the age for certain insurance premium reductions (from 55 to 50) for a three-year consecutive period if a motor vehicle accident prevention course is successfully completed.

FISCAL IMPLICATIONS

None noted.

SIGNIFICANT ISSUES

The DOT's Traffic Safety Division has oversight of driver education training programs including teen driver education, DWI school, motorcycle safety, and training provided by nonprofit

corporations that provide motor vehicle accident prevention courses for drivers age 55 and older. The Traffic Safety Division has currently reviewed and approved an existing training program that meets the criteria for an insurance premium reduction.

In 2010, there were over 110,000 people involved in crashes. Drivers age 50-54 were involved in over 6,000 crashes in 2010. Drivers age 55-59 were involved in over 5,000 crashes during the same timeframe.

PERFORMANCE IMPLICATIONS

By reducing the age of drivers eligible to receive the insurance premium reduction to 50, the number of persons who attend an accident prevention course in order to qualify for an insurance premium reduction may increase and more drivers may receive driver education. Additional driver training may assist in reducing crashes by increasing awareness of existing driving issues as it relates to drivers over the age of 50, thereby promoting one of DOT's goals—safety on New Mexico's roadways.

ALTERNATIVES

The PRC suggest the alternative of granting a premium discount to anyone who completes a qualified defensive driver course, or removing the mandatory discount altogether.

CEB/svb