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FISCAL IMPACT REPORT

SPONSOR B Lujan DATE TYPED 2/25/05 HB 739/aHTC/aHJC
SHORT TITLE Incidental Car Insurance Carrier Proof to PRC SB _____
ANALYST Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			See Narrative		

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Regulation Commission (PRC)

SUMMARY

Synopsis of HJC Amendment

The House Judiciary Committee amendment to House Bill 739 removes the HTC amendments. It changes the definition of an "incidental carrier" to a motor carrier of persons that provides services for which the customer pays either directly or indirectly and that transports passengers in conjunction with primary service that it provides.

The amendment also requires the PRC to adopt rules regarding financial responsibility of incidental carriers by July 1, 2006. The implementation of these rules will also begin on July 1, 2006.

Synopsis of HTC Amendment

The House Transportation Committee amendment to HB 739 changes and clarifies the definition of incidental carrier which now means a motor carrier of persons that provides services for which the customer pays either directly or indirectly and that transports passengers in conjunction with the service it provides.

Synopsis of Original Bill

House Bill 739 requires incidental carriers, as defined by the Motor Carrier Act, to provide to the PPR proof of financial responsibility in the form and amounts prescribed by the PRC.

An incidental carrier is a business providing transportation as part of another service such as river rafting or hunting groups.

Significant Issues

This bill protects the public interest by ensuring that incidental carriers are able to respond in damages for injuries they may cause. It also prohibits an incidental carrier from operating on the highways of this state unless it files proof of its financial responsibility with the PRC.

The bill obligates the PRC to enact a rule setting the amount and form of the insurance which shall not exceed that required of other motor carriers.

FISCAL IMPLICATIONS

The PRC estimates it will need \$24 thousand from the general fund to implement this legislation.

ADMINISTRATIVE IMPLICATIONS

This bill will require a rulemaking proceeding before the PRC. It will also require additional resources to process the increase in filings. The PRC will need .5 FTE to handle the requirements in this bill.

DW/sb