

A MEMORIAL

REQUESTING THE HUMAN SERVICES DEPARTMENT TO COLLABORATE WITH THE MOTOR VEHICLE DIVISION OF THE TAXATION AND REVENUE DEPARTMENT TO CONSIDER THE POTENTIALLY NEGATIVE IMPACT OF MANDATORY AUTOMOBILE LIABILITY INSURANCE ON LOW-INCOME HOUSEHOLDS.

WHEREAS, New Mexico law mandates an owner of a motor vehicle to either have automobile liability insurance or demonstrate the financial ability to cover the costs incurred should an accident occur; and

WHEREAS, the annual cost of purchasing automobile liability insurance can be quite expensive, exceeding one thousand dollars (\$1,000) per year, depending on various factors, including the age, sex and driving record of the driver, the geographic area in which the vehicle is registered and the kind of vehicle being driven; and

WHEREAS, people living in poverty or near poverty may not be able to afford to purchase automobile liability insurance; and

WHEREAS, the inability to afford automobile liability insurance, coupled with the general lack of availability of public transportation, impairs the ability of people living in or near poverty to find employment and contribute meaningfully to society; and

WHEREAS, the 2009 federal poverty level for a household of two is fourteen thousand five hundred seventy dollars (\$14,570) per year, or one thousand two hundred fourteen dollars (\$1,214) per month; and

WHEREAS, people living in poverty or near poverty frequently must do without necessities, or make choices between needs, such as food, clothing, health care or insurance; and

WHEREAS, people living in or near poverty may rely on an automobile to travel to and from places of employment; however, the cost of maintaining that automobile must often be balanced with other necessary expenditures; and

WHEREAS, people living in poverty or near poverty can and often do qualify for various public assistance programs with incomes above the federal poverty level; and

WHEREAS, requiring people living at or near the federal poverty level to purchase automobile liability insurance may force them to use scarce personal resources for that purpose while foregoing other needs;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the human services department, in collaboration with the motor vehicle division of the taxation and revenue department, be requested to consider the potentially negative impact of mandatory automobile liability insurance on low-income households; and

BE IT FURTHER RESOLVED that consideration be given to creating an affordable alternative to the requirement to purchase automobile liability insurance for households between one hundred percent and two hundred fifty percent of the federal poverty levels; and

BE IT FURTHER RESOLVED that consideration be given to applying the guidelines utilized in other human services department programs, such as temporary assistance for needy families, food stamps and medicaid, to the purchase of automobile liability insurance; and

BE IT FURTHER RESOLVED that the human services department and the motor vehicle division of the taxation and revenue department present their findings to the interim legislative health and human services committee at its November meeting; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the secretary of human services and the director of the motor vehicle division of the taxation and revenue department.