

HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR  
HOUSE MEMORIAL 76

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

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

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underscored material = new  
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1 and the kind of vehicle being driven; and

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

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

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

14 WHEREAS, according to a 2003 study conducted by New Mexico  
15 voices for children titled *Bare Bones Budgets*, the federal  
16 poverty levels understate poverty by one hundred thirty-six  
17 percent to two hundred forty-seven percent; and

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

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

25 WHEREAS, people living in poverty or near poverty can and

1 often do qualify for various public assistance programs with  
2 incomes above the federal poverty level; and

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

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

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

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

23 BE IT FURTHER RESOLVED that the human services department  
24 and the motor vehicle division of the taxation and revenue  
25 department present their findings to the interim legislative

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1 health and human services committee at its November meeting;  
2 and

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

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