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FISCAL IMPACT REPORT

SPONSOR HTPWC ORIGINAL DATE 2/09/19
LAST UPDATED 3/04/19 HB 391/HTPWCS
SHORT TITLE Acceptance of Digital Proof of Insurance SB _____
ANALYST Gaussoin/Woods

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total				NFI		

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with HB304.
Relates to SB107 (and the duplicate SB108) and HB112.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Public Safety (DPS)
New Mexico Attorney General (NMAG)

No Responses Received

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

The House Transportation, Public Works and Capital Improvements Committee Substitute for HB391 amends two provisions of the Motor Vehicles Act to:

Section 1 would amend Section 66-3-13 to allow drivers to exhibit registration to police officer by image on electronic device.

Section 2 would amend Section 66-5-305 to allow drivers to exhibit proof of financial responsibility by image on electronic device.

FISCAL IMPLICATIONS

The bill would not have any significant fiscal impact.

SIGNIFICANT ISSUES

New Mexico is one of just two states that does not require law enforcement agencies to accept electronic proof of vehicle insurance, such as that provided through some insurance company mobile phone apps. However, while not in law, the *Albuquerque Journal* reported in June 2017 that most large police agencies were already informally accepting digital evidence.

In “E-proof not good enough for New Mexico,” the newspaper reported the State Police had directed officers to accept digital documentation and many other agencies, including the Bernalillo County Sheriff’s Office and the Santa Fe Police Department, indicated they had informal policies that left it up to the officers. The newspaper reported a few days later the Albuquerque Police Department planned to adopt a policy accepting electronic proof.

The move by police agencies followed a 2016 state Appeals Court ruling that found no meaningful difference between “a hard copy of an insurance card and an electronic copy.”

This bill also clarifies that allowing an officer to look at such documents on a personal electronic device is not consent to search said device, and the owner of the device takes liability for any damage caused to the device. This section will also require departments to create rules that allow officers to accept digital forms of insurance as evidence.

ADMINISTRATIVE IMPLICATIONS

DPS reported the bill would have no impact on the agency.

TRD did not provide an agency analysis but the requirement the department adopt new rules guiding electronic proof would not likely create a significant administrative burden.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The bill conflicts with HB304, which amends the same section of law, 66-5-205 NMSA 1978 along with other sections of law, to provide for electronic documentation of vehicle registration in addition to electronic documentation of proof of insurance.

SB107, and the duplicate SB108, amend 66-5-229 NMSA to allow for electronic proof of insurance.

HB112 would double the accident liability limits required in mandatory insurance policies.

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