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## FISCAL IMPACT REPORT

**SPONSOR** Alcon **ORIGINAL DATE** 02/12/09  
**LAST UPDATED** 02/16/09 **HJM** 53/aHTRC  
**SHORT TITLE** Motor Vehicle Division Fee Simplification **SB** \_\_\_\_\_  
**ANALYST** Lucero

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>3 Year Total Cost</b>	<b>Recurring or Non-Rec</b>	<b>Fund Affected</b>
<b>Total</b>		Minor			Non- Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### **SOURCES OF INFORMATION**

LFC Files

#### Responses Received From

New Mexico Municipal League

Taxation and Revenue Department (TRD)

### **SUMMARY**

#### Synopsis of HTRC Amendment

The House Taxation and Revenue Committee (HTRC) amendment adds the Legislative Revenue Stabilization Tax Committee to the taskforce and to receive a report of the findings. A copy of the memorial is to be sent to the Revenue Stabilization Committee.

#### Synopsis of Original Bill

House Joint Memorial 53 requests the Motor Vehicle Division (MVD) of the Taxation and Revenue Department (TRD) to complete to convene a task force to study and make recommendations for the simplification of MVD fees.

HJM53 stipulates that this task force should include TRD, Department of Finance and Administration Local Government Division, Department of Transportation, New Mexico Association of Counties, and the New Mexico Municipal League.

HJM53 stipulates that the task force examine the fee structure established by motor vehicle divisions in other states and incorporate those methodologies that are more streamlined and result in more efficient communication, collection, and distribution.

It also requires that a report of the findings and recommendations, when complete, be reported to the appropriate legislative interim committees by November 30, 2009.

**FISCAL IMPLICATIONS**

There is no appropriation attached to the legislation. However, there may be a fiscal impact to the agencies involved in the taskforce attributable to staff time, travel, and supplies.

**SIGNIFICANT ISSUES**

The Motor Vehicle Division (MVD) reports that the fee structure is complicated and very difficult to understand and administer. Problems with the fee structure have resulted form many years of changes to the MVD Code without formulating a comprehensive and easy to understand fee structure. The fees are so complex that the fee manual is over 100 pages long and fee errors result. MVD strongly supports this memorial in that it will assist to assure effective and accurate clarification, communication, collection and distribution of the driver and vehicle fees. This memorial could result in significant streamlining and simplification of MVD’s fee structure.

**PERFORMANCE IMPLICATIONS**

If the task force proves to identify methodologies which improve communication, collection, and distribution then performance outcomes related to field office and call center wait times may improve. Additionally, streamlining could result in fewer errors calculating MVD fees.

**ADMINISTRATIVE IMPLICATIONS**

Task force members would be using regular work time to comply with the intent of the memorial

**TECHNICAL ISSUES**

It may be productive to have a member of the Legislative Finance Committee and/or staffs participate on the taskforce so that the final report is responsive to the Legislature’s concerns.

**OTHER SUBSTANTIVE ISSUES**

The New Mexico Municipal League supports this Joint Memorial

**AMENDMENTS**

Page 2, line 18, add “the Legislative Finance Committee”.

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