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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/29/16

SPONSOR Little LAST UPDATED \_\_\_\_\_ HB 199

SHORT TITLE Motor Vehicle Tax Fund Distribution SB \_\_\_\_\_

ANALYST Alejandro

### REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18	FY19	FY20		
(\$3,000.0)	(\$38,000.0)	(\$78,000.0)	(\$120,500.0)	(\$164,000.0)	Recurring	General Fund
\$3,000.0	\$38,000.0	\$78,000.0	\$120,500.0	\$164,000.0	Recurring	State Road Fund

Parenthesis ( ) indicate revenue decreases

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

Department of Transportation (DOT)

State Treasurer's Office (STO)

### SUMMARY

#### Synopsis of Bill

House Bill 199 seeks to redistribute the motor vehicle excise tax (MVEX) from the general fund to the state road fund over a four-year period as follows:

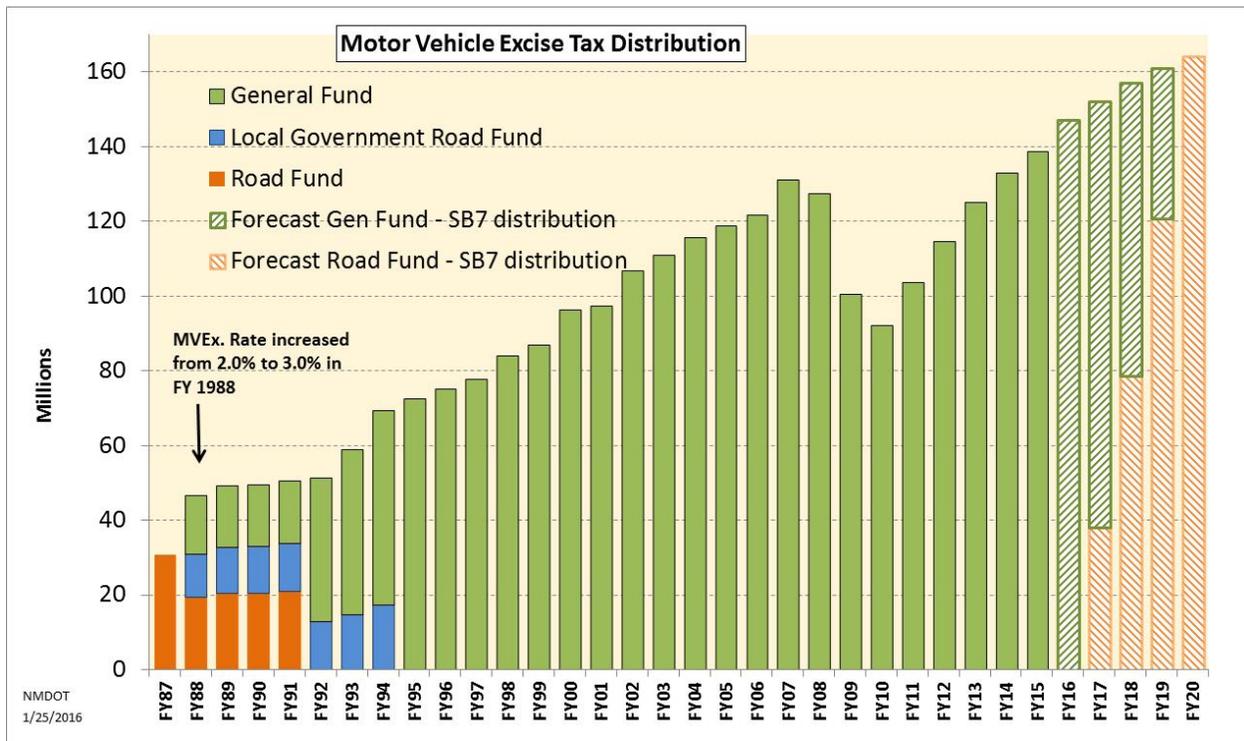
- prior to July 1, 2016, 100 percent is distributed to the general fund;
- in FY17, 75 percent to the general fund and 25 percent to the state road fund;
- in FY18, 50 percent to the general fund and 50 percent to the state road fund;
- in FY19, 25 percent to the general fund and 75 percent to the state road fund;
- after July 1, 2019, 100 percent to the state road fund.

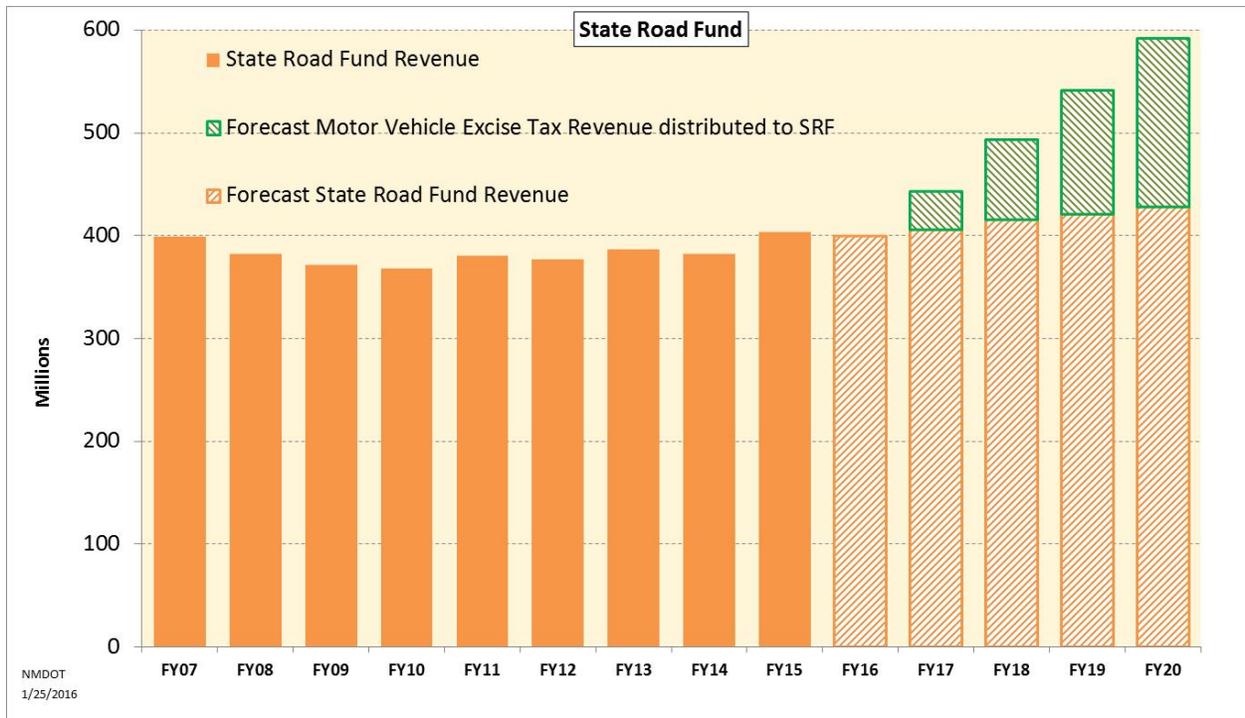
**FISCAL IMPLICATIONS**

The revenue calculations above were calculated by the Taxation and Revenue Department (TRD) by estimating the fiscal impact using the projected motor vehicle excise tax revenues from the December 2015 Consensus Revenue Forecast. Current statute indicates that one hundred percent of the receipts from the motor vehicle excise tax shall be distributed to the General Fund. This proposal phases-in an distribution of the motor vehicle excise tax from the General Fund to the State Road Fund. The distribution represents a revenue loss to the General Fund, and a revenue gain to the State Road Fund.

The New Mexico Department of Transportation (DOT) indicates that the bill increases the overall State Road Fund revenue by approximately 9 percent in FY17, 19 percent in FY18, 29 percent in FY19, and 38 percent in FY20.

This revenue estimate is based on the December 2015 Consensus General Fund Forecast and on the January 2016 State Road Fund estimates.





**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

This bill is similar to Senate Bill 7.

**ADMINISTRATIVE IMPLICATIONS**

DOT and TRD indicate that any added administrative burdens resulting from passage of this bill would be minimal.

**TECHNICAL ISSUES**

TRD interprets the changes to apply beginning July 1, 2016, which represents June 2016 revenue. If the sponsor of the bill intended for these changes to apply to revenue beginning July 1, 2016, TRD recommends that an Applicability Section be added to the bill to clarify that the changes apply to revenues beginning July 1 of each year, beginning in 2016 and ending in 2020 when the distribution to the State Road Fund will be completely phased-in.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If this bill is not enacted, 100 percent of the motor vehicle suspense fund will continue to be distributed to the state general fund.

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