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FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/13
LAST UPDATED 03/01/13 **HB** 155/aHTPWC/aHFI#1

SPONSOR Garcia, M.P.

SHORT TITLE Replacement Fees for Car Disability Placards **SB** _____

ANALYST Boerner

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|---------------------|-----------------------|---------------------|---------------------------|------------------------|
| FY13 | FY14 | FY15 | | |
| \$0.0 | \$125.2 | \$125.2 | Recurring | Disability Fund |
| \$0.0 | \$83.5 | \$83.5 | Recurring | Motor Vehicle Division |
| Total: \$0.0 | Total: \$208.7 | Total: 208.7 | | |

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY13 | FY14 | FY15 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|---------|---------|---------|-------------------|---------------------------|---------------------|
| Total | Minimal | Minimal | Minimal | Minimal | Nonrecurring | MVD Operating Funds |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Governor's Commission on Disability (GCD)
 Aging and Long-Term Services Department (ALTSD)
 Taxation and Revenue Department (TRD)
 Department of Transportation (DOT)

SUMMARY

Synopsis of House Floor # 1 Amendment

The House Floor #1 amendment to House Bill 155 strikes the House Transportation and Public Works Committee amendment which relates to the change in fees. The House Floor amendment clarifies that the Motor Vehicle Division (MVD) cannot charge more than \$5 for a new placard. The amendment also clarifies that the fee pursuant to Section 66-2-16 is not to be imposed on the

placards. Finally, the amendment specifies that \$3 of the fee is for the Disability Fund and that the remaining \$2 fee should go to the MVD to cover the cost of administering the placard program.

Synopsis of HTPWC Amendment

The House Transportation and Public Works Committee amendment to House Bill 155 changes the distribution language for the new \$5.00 fee so that \$3.00 is will go to the Disability Fund, and \$2.00 will go to the motor vehicle suspense fund to cover costs of administering this placard program. The amendment also adds an effective date to the bill.

Synopsis of Original Bill

House Bill 155 imposes a new \$5 fee associated with newly issued, renewal, or replacement disabled parking placards. Currently there is no fee associated with the disabled parking placards or with the permanent disabled parking vehicle registration plates.

The bill also provides that \$3 of the new fee would be distributed to the Disability Fund; the remaining \$2 would be distributed to the State Road Fund and County and Municipal governments pursuant to Section 66-6-23 NMSA 1978.

FISCAL IMPLICATIONS

The MVD issued a total of 41,749 placards in 2012. This analysis assumes that the same number of placards will be issued each year.

Detailed revenue impact provided by the MVD:

| | | | | Annual |
|--|---------------------------------|--|--|------------------|
| | | | | |
| | | | | 41,749 |
| | Placards issued per year (2012) | | | |
| | Cost per placard | | | \$5.00 |
| | | | | |
| | Total New Fees | | | \$208,745 |
| | | | | |
| | \$2 to the MVD Suspense Fund | | | \$2.00 |
| | | | | |
| | Total | | | \$83,498 |
| | | | | |
| | \$3 to the Disability Fund | | | \$3.00 |
| | | | | |
| | Total | | | \$125,247 |

ADMINISTRATIVE AND COMPLIANCE IMPLICATIONS

The Taxation and Revenue Department (TRD) reports that implementation of this bill would have a low impact for information technology requirements. Listed are the affected programs and time estimates:

MVD 2.0 – 120 hours

Point of Sale – 40 hours

Mainframe Financial (MVRO) Programs – 80 hours

Testing – 40 hours

Total Hours – 280

POLICY ISSUES

Imposition of a new fee for mobility impaired (handicap) placards which have until now been issued (up to two per customer) at no cost to qualifying customers; the fee could create a hardship to persons on a fixed income, including but not limited to the elderly and individuals with disabilities.

CEB/svb:blm