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FISCAL IMPACT REPORT

LAST UPDATED _____

SPONSOR Castellano/Sanchez **ORIGINAL DATE** 2/14/23

BILL

SHORT TITLE Off-Highway Motor Vehicle Definitions **NUMBER** House Bill 320

ANALYST Graeser

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25	FY26	FY27		
	Positive < 100.0	Positive < 100.0	Positive < 100.0	Positive < 100.0	Recurring	Trail Safety Fund
	Possible negative < 100	Recurring	66-6-3 Distributions			

Parenthesis () indicate revenue decreases

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	Indeterminate	Indeterminate	Indeterminate		TRD/MVD

Parenthesis () indicate expenditure decreases

Sources of Information

LFC Files

Responses Received From

Department of Game and Fish (DGF)

No Response Received

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of House Bill 320

House Bill 320 amends Section 66-3-1001.1 NMSA 1978 to update the definition of off-highway vehicles (OHVs). This bill amends tire type and vehicle weights and removes references to engine displacement. These changes will allow more modern machines to fall under the OHV definition than current statute allows.

This bill does not contain an effective date, and as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed.

FISCAL IMPLICATIONS

Department of Game and Fish comments:

This bill would expand the current OHV definition to include more modern and heavier machines. These machines currently exist on the market, and can be legally purchased, but owners cannot currently register them as OHVs due to the restricted definition of an OHV in statute. Expanding the definition of OHVs to include more modern machines will result in more OHV registrations and thus increased revenue for the Trail Safety Fund (108400).

While we anticipate this bill will increase registration revenue, it is unknown how many of these machines will be registered each year.

Current OHV registration fees for residents are \$53 for the initial year and \$50 for registration renewals every two years thereafter. We can assume an increase in revenue of \$5,300 for every 100 new initial resident registrations and an increase in revenue of \$5,000 for every 100 resident registration renewals.

Current OHV registration fees for nonresidents are \$48 for a two-year permit and \$18 for a 90-day permit. We can assume an increase in revenue of \$4,800 for every 100 nonresident two-year registration permits sold and an increase in revenue of \$1,800 for every 100 nonresident 90-day registration permits sold.

LFC notes that the changes may result in larger OHVs that are registered pursuant to the regular vehicle registration provision may reregister as OHVs pursuant to these provisions.

SIGNIFICANT ISSUES

The two significant changes are:

- Increases the unladen dry weight from no greater than 1,750 pounds to 3,500 pounds; and
- Deletes the maximum engine displacement of less than one thousand cubic centimeters.

A distinguishing characteristic defining a “recreational off-highway vehicle” is that it runs on four or more “non-highway” tires. Non-highway tires are not further defined in statute.

ADMINISTRATIVE IMPLICATIONS

TRD may report a small non-recurring impact <\$10 thousand to modify the Tapestry System.

LG/al/ne