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FISCAL IMPACT REPORT

SPONSOR <u>Neville/Wirth</u>	LAST UPDATED <u>2/12/2024</u>
	ORIGINAL DATE <u>1/29/2024</u>
SHORT TITLE <u>Transportation Regulation</u>	BILL NUMBER <u>Senate Bill 201</u>
	ANALYST <u>Simon</u>

REVENUE* (dollars in thousands)

Type	FY24	FY25	FY26	FY27	FY28	Recurring or Nonrecurring	Fund Affected
		Indeterminate	Indeterminate	Indeterminate	Indeterminate	Recurring	General Fund

Parentheses () indicate revenue decreases.
*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		No fiscal impact	No fiscal impact		Recurring	State Road Fund

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Department of Transportation (NMDOT)
Administrative Office of the Courts (AOC)

Agency Analysis was Solicited but Not Received From
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Senate Bill 201

Senate Bill 201 (SB201) makes several technical corrections and eliminates outdated and obsolete language from laws defining the Department of Transportation’s (NMDOT) duties related to the regulation of railways, transportation network companies, and motor carriers. Those corrections include replacing references to the NMDOT Traffic Safety Bureau with a “compliance unit” of the department, which will oversee regulation functions. The bill also eliminates carrier inspection fees NMDOT will be required to charge beginning July 1, 2024.

The bill also changes the court, from the Supreme Court to the district court, to which appeals of departmental decisions may be appealed.

The effective date of this bill is July 1, 2024.

FISCAL IMPLICATIONS

SB201 bill repeals sections of law scheduled to go into effect on July 1, 2024, which would require NMDOT to charge a carrier inspection fee to each carrier doing business in the state except for contract motor carriers or aircraft carriers transporting passengers. Payments collected from this fee would be paid into the general fund.

According to NMDOT, carrier inspection fees were not previously implemented by the PRC when that agency was responsible for motor carrier regulation, and it is unclear which entities to which this fee was meant to apply. As a result, NMDOT staff do not report any fiscal impact for the repeal of these sections. While repealing this fee would prevent the general fund from realizing a fee that is currently scheduled to be collected in the future, it is unclear how much, if any, would be collected if these sections are not repealed.

NMDOT does report the department may need to allocate more staff in there is an increase in the number of appeals of NMDOT decisions. House Appropriations and Finance Committee Substitute for House Bills 2 and 3 includes \$4 million for NMDOT to carry out transportation regulation functions.

SIGNIFICANT ISSUES

Laws 2023, Chapter 100 transferred motor carrier regulations functions from PRC to NMDOT, effective July 1, 2024. In general, that law took existing statutes that applied to the PRC and transferred those to NMDOT. Since passage of that law, NMDOT staff have identified areas where language in the current law could be updated or clarified, and some processes simplified.

Traffic Safety Bureau. SB201 eliminates references to NMDOT’s traffic safety bureau from the motor carrier act and creates a new “compliance unit” within the department to handle enforcement of the Motor Carrier Act. These changes align with how the department will organize its units to conduct business, with motor carrier regulation being separate from the traffic safety bureau.

Outdated Language. SB201 replaces several terms in the Motor Carrier Act, which the department states are outdated or no longer needed. The bill eliminates references to “public-charge contracts,” which the department says is outdated. Additionally, the bill removes references to a “taxicab association.” It is not clear if such an organization currently exists in New Mexico.

Peace Officer Powers. SB201 would eliminate a provision of existing law stating inspectors employed by the department shall have peace officer powers. The bill limits the powers to the inspection of records, facilities, and equipment of motor carriers.

Ambulance Services Procedures. SB201 would eliminate a requirement that ambulance services be determined to serve a useful public purpose that is responsive to a public demand. Ambulance services can, in general, be seen as providing a useful public purpose by definition and it is unclear if any ambulance service has been denied a certificate because it does not serve a useful public purpose.

Temporary Authority for Rate Increases. SB201 would simplify the hearing process related to a temporary rate increase. Current law allows for an additional hearing in the event of a protest, but the bill would allow a hearing examiner to grant a temporary increase without an additional proceeding.

Appeals of Department Decisions. Current law specifies that appeals of decisions by NMDOT are directed to the Supreme Court, but the bill would specify that appeals of decisions under the Motor Carrier Act would be directed to the district court. Generally, the Administrative Procedures Act provides that agency decisions are subject to judicial review in district court, but appeals of some agency decisions, including the Public Regulation Commission, are directed to the Supreme Court. According to NMDOT, decisions under the Motor Carrier Act may be more similar to the types of decisions typically directed to the district court.

Analysis from the Administrative Office of the Courts notes the number of appeals heard directly by the Supreme Court is limited and includes hearing administrative appeals in utility cases decided by the Public Regulation Commission. While the initial transfer of motor carrier regulations included this same direct appeal as when the function was handled by the Public Regulation Commission, AOC notes the district court is better suited to hear direct appeals for motor carriers.

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