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FISCAL IMPACT REPORT

SPONSOR: Jennings DATE TYPED: 02/04/02 HB _____
 SHORT TITLE: Motor Vehicle Suspense Fund Distribution SB 362
 ANALYST: Gilbert

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	\$ 165.0	\$ 165.0	Recurring	Mun. Fee Agents (operating M. V. Offices) – Administrative Fees
	\$ 1,000.0	\$ 1,000.0	Recurring	State Road Fund (Section 66-6-23.1) – Administrative Fees
	\$ 500.0	\$ 500.0	Recurring	Local Governments (Section 66-6-23.1) – Administrative Fees
\$ 62.0	\$ 750.0	\$ 750.0	Recurring	OSF/Local - Mun. Fee Agents (operating M. V. Offices) – Transaction Fees
\$ (41.0)	\$ (500.0)	\$ (500.0)	Recurring	State Road Fund (Section 66-6-23.1) – Transaction Fees
\$ (21.0)	\$ (250.0)	\$ (250.0)	Recurring	Local Governments (Section 66-6-23.1) – Transaction Fees

(Parenthesis () Indicate Revenue Decreases)

Duplicates: HB 371 and SB 366

SOURCES OF INFORMATION

LFC Files

Response Receive From

State Highway and Transportation Department (SHTD)

No Response Received

Department of Finance & Administration (DFA)

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 362 amends Sections 66-2-16 and 66-6-23 NMSA 1978 (Laws of 1978, Chapter 35, Section 20) by doubling the administrative services fees collected by the Motor Vehicle Division of the Taxation and Revenue Department or its agents. This fee is used to defray the costs of operation and rendering of services to the public. This bill also amends Section 66-6-23 NMSA 1978 to mod-

ify the disposition of fees from the motor vehicle suspense fund and to clarify that all fees collected for excessive weight permits (pursuant to Section 66-7-413.4 NMSA 1978) shall be distributed to the state road fund.

Significant Issues

This bill (Section 66-2-16A) increases the administrative service fee from \$0.50 to \$1.00 for each item, transaction, or service performed by the agent or the department, and is collected in addition to all other fees and taxes imposed.

According to this bill, disposition of fees (Section 66-6-23 NMSA 1978) to municipalities, counties or fee agents operating a motor vehicle office would be increased from \$6.00 to \$8.00 per drivers license and from \$3.00 to \$5.00 per identification card, motor vehicle, motor boat registration or title transaction performed. In addition, municipalities, counties or fee agents operating a motor vehicle office will receive \$1.00 instead of the current \$0.50 for each administrative service fee remitted by that county or municipality to the motor vehicle suspense fund.

The administrative fees collected by municipal fee agents are distributed back to those fee agents. Administrative fees collected by the Motor Vehicle Division are distributed to the State Road Fund and local governments under Sections 66-6-23 and 66-6-23.1 NMSA 1978.

FISCAL IMPLICATIONS

The FY02 impact results from the July 1, 2002 effective date of this bill, which will affect the distribution of June 2002 revenue.

The State Highway and Transportation Department (SHTD) provided revenue estimates for this bill.

ADMINISTRATIVE IMPLICATIONS

This bill would require the Taxation and Revenue Department Motor Vehicle Division to change their policies and procedures and modify relevant automated systems. Additional statewide staff training would also be necessary for implementation of this bill.

TECHNICAL ISSUES

Section 66-7-413.4 states that "*Revenue from the permit fee shall be used to build, maintain repair or reconstruct the highways and bridges of this state.*" However, there is no specific statutory distribution of these fees to the State Road Fund.

The SHTD requests a technical correction to page 4, line 22 of SB 362 to resolve this issue. On line 22 after pursuant to, SHTD recommends inserting **Section 66-7-413 and.**

The SHTD also points out that the language distributing the increased administrative fee will be effective for distribution the month prior to the first month in which the increased fee is collected. Alternatively, Section 2 of the bill could be given an effective date of August 1, 2002 in order to eliminate the FY02 fiscal impact and eliminate this technical issue.