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FISCAL IMPACT REPORT

SPONSOR: Roberts DATE TYPED: 2/12/03 HB 311
 SHORT TITLE: Cross-Border Passage of Mexican Vehicles SB _____
 ANALYST: Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI		NFI		

SOURCES OF INFORMATION

Responses Received From

New Mexico Board Authority
 Taxation and Revenue Department
 Office of the Attorney General
 Administrative Offices of the Courts
 Administrative Office of the District Attorney

SUMMARY

Synopsis of Bill

House Bill 311 proposes a new provision be added to the Motor Transportation Act. This new provision will exempt certain foreign commercial vehicles from New Mexico's vehicle registration requirements, including temporary registration.

HB 311 is intended to facilitate the free flow of commercial goods across the US/New Mexico - Mexico border.

However, HB 311 does limit the free flow of these foreign commercial goods in New Mexico to those areas of the state designated by federal law as "international border commercial zones".

While exempted from state registration requirements, the foreign commercial vehicles must comply with financial responsibility rules adopted by the New Mexico Department of Transportation. The bill provides that these rules must be in conformity with federal motor carrier law.

Significant Issues:

- 1) HB 311 presents a critical element in border economic development. The effect of the bill will be enhanced industrial development and trade in the Santa Teresa and New Mexico – Mexico border area.
- 2) HB 311 is not limited solely to Mexican commercial vehicles. Vehicles from the “United Mexican States” (i.e., Honduras, Guatemala, Costa Rica, as well as other South American countries) that pass through the Republic of Mexico will also be affected.
- 3) The bill does not conflict with existing federal regulations that mandate U.S. ICC-MX registration, insurance and inspection to CVSA standards by the federal Department of Transportation and the State Motor Transportation Division. In fact, HB 311 specifically requires the adoption of rules that conform with federal laws governing the operation of foreign commercial motor vehicles in the U.S.
- 4) The bill provides legal evidence to industry and Mexican motor carriers that operational requirements in New Mexico are not more rigorous than in neighboring Texas.
- 5) **Intrastate** transport (pick-up and delivery solely **within** the boundaries of New Mexico, whether passengers or commercial cargo) **will not** be allowed, even within “international border commercial zones”, **unless the vehicle is otherwise authorized to engage in interstate and foreign commerce under federal or international agreements.**
- 6) New Mexico’s law enforcement personnel will be challenged in tracking / determining the location and extent of “international border commercial zones”.

FISCAL IMPLICATIONS

HB 311 will reduce the burdens associated with state registration of these commercial vehicles. However, adequately regulating /enforcing compliance with the safety and insurance requirements (the baseline being established in the federal law) is essential. The state must evaluate the need for additional FTE and budget resources in this area, as well as options for gaining federal support and/or assistance in ensuring adequate regulation and enforcement of the financial responsibility requirements.

OTHER SUBSTANTIVE ISSUES

Commerce across the US/New Mexico - Mexican border will rapidly increase in the coming years. This will support economic growth for New Mexico.

Facilitating border access for Mexican / United Mexican State’s commercial motor carriers and operation within the “international border commercial zones” will aid drug smuggling efforts. Additional federal support through High Intensity Drug Trafficking Area (HIDTA) grants should be sought.

SJM/njw