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FISCAL IMPACT REPORT

SPONSOR: Larranaga DATE TYPED: 2/13/03 HB 429

SHORT TITLE: Suspension of HS Dropout Drivers' Licenses SB _____

ANALYST: Wilson

APPROPRIATION

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

Relates to HB 105

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	(47.0)		Recurring	State Road Fund
	(23.0)		Recurring	Counties & Municipalities

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From

Taxation and Revenue Department (TRD)
 State Highway & Transportation Department (SHTD)
 State Department of Education (SDE)

SUMMARY

Synopsis of Bill

House Bill 429 bars the Motor Vehicle Division (MVD) from issuing a driver's license, a learner's permit or restricted driver's license to those under the age of 18 unless they are enrolled in a school or have obtained a high school diploma or its equivalent.

Significant Issues

Proponents believe that driving a car is a privilege and should only be given to minors who are in school. They believe that denying a minor a license to drive is an incentive to keep minors from dropping out of school.

TRD states requiring people to be licensed as a driver is primarily for the health and safety of the motoring public. Using this process for secondary aims, such as forcing minors to stay in school, dilutes its focus and increases its cost.

SDE agrees with the intent of HB 249 to discourage minors from dropping out of school. They argue if a minor does drop out, this all-or-nothing approach is inconsistent with Section 22-2-8.9 NMSA 1978 of the Public School Code added in 1999, which permits a minor to test for and receive an SDE-issued GED certificate at age 16.

Additionally, Section 22-12-2 NMSA 1978 of the Compulsory School Attendance Law permits a minor of at least 17 years of age to be excused from attending a public school, private school, home school or state institution if that child will be employed in a gainful trade or occupation. Therefore, it appears inconsistent to propose legislation that discourages minors from dropping out of school by restricting their ability to obtain a driver's license while at the same time providing them with lawful avenues to quit school prior to graduation.

Barring certain categories of minors from obtaining a driver's license may actually encourage some of these minors to drive without proper licensure and insurance. This would be an unintended consequence of HB 429. Moreover, this bill might also result in some minors who reside in rural areas and who may have properly quit school with every intention of working and obtaining a GED from being unable to obtain or travel to certain jobs.

FISCAL IMPLICATIONS

The MVD does not compile data on licenses and permits issued by age. The fiscal impact was derived from Census Bureau estimates of population by age group, and State Department of Education reports on school enrollment and dropout percentages. The fiscal impact presented above assumes approximately 7,000 minors who would otherwise be eligible for licensure will no longer qualify under HB 429.

The fees for provisional driver's licenses and instructional permits are \$13.00 and \$2.00, respectively. These revenues are distributed pursuant to Section 66-6-23 NMSA 1978. Approximately two-thirds goes to the State Road Fund and one-third to various local funds.

ADMINISTRATIVE IMPLICATIONS

Applicants would be required to provide additional documentation to verify applicant is enrolled in and attending school when applying for a permit or provisional license. MVD will have to train its personnel on valid documentation. Wait times for customers could increase in smaller MVD offices that don't have an information desk where a clerk checks a customer's documentation for a particular transaction.

RELATIONSHIP

HB 429 relates to HB 105. Both bills have similar intent, but use different language for school requirement.

TECHNICAL ISSUES

SHTD noted the following:

- Section 66-5-30 in HB 429 allows the Motor Vehicle Division to suspend or revoke an instructional permit or provisional license when a person under the age of 18 is not enrolled in a school and has not obtained a high school diploma. This language should allow for suspension for persons not enrolled in school or who has not obtained a high school diploma or its equivalent. The language in HB 429 will require both school enrollment and a high school diploma or its equivalent to avoid revocation or suspension. Under the graduated driver license requirements in 66-5-5, a person under 18 may be eligible to receive a driver's license before the age of 18 if he has successfully completed all stages. The person under 18 may receive a high school diploma or its equivalent and have met all licensing requirements, but would have the license revoked because he is no longer in school.
- Language should be added to require all driver education instructors or schools to inform the MVD when a student is no longer enrolled in school.

DW/yr:prr