

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Regensberg DATE TYPED: 03/05/03 HB 889

SHORT TITLE: Mora County Motor Vehicle Field Office SB _____

ANALYST: Hayes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$80.0			Nonrecurring*	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC files

SUMMARY

Synopsis of Bill

House Bill 889 appropriates \$80.0 from the general fund to the Motor Vehicle Division of the Taxation and Revenue Department to fund a motor vehicle field office in Mora County.

Significant Issues

1. Currently, the town of Mora operates a municipal Motor Vehicle office for its local population and surrounding community. The language in HB 889 is unclear whether the appropriation is to “convert” the municipal office to a state-run MVD office, or if the appropriation is to assist Mora with the operating costs of its local motor vehicle office.
*Therefore, this analysis indicates the appropriation as a nonrecurring expense.
2. Currently, there are 37 municipal motor vehicle offices. Examples include Aztec, Chama, Estancia, Hobbs, Lovington, Questa, Santa Rosa, Tatum and Wagon Mound.
3. Operating funds for municipal offices are generated by transaction fees. For each transaction handled by the municipals, the state’s Motor Vehicle Division reimburses the municipal office \$3-\$6, depending on the transaction. These reimbursements pay for salaries and daily operating expenses at the local office. All of the office equipment, com-

puters, printers, license plates, stickers, title forms, etc., are provided to the municipalities by the Motor vehicle Division without charge. If reimbursed transaction fees do not cover salaries and operating expenses, the municipality incurs the difference.

4. In 2000, the Mora motor vehicle office requested and the Legislature approved a special appropriation totaling \$40.0 to fund the staffing/salaries of the Mora office. Apparently, neither the town nor the county provided the \$40.0 needed. Whether due to management or operations, the Mora office was not profitable and needed supplemental funding. No other municipality has requested supplemental funding from the state. Is the \$80.0 appropriation in this bill another supplemental for Mora?

FISCAL IMPLICATIONS

*The appropriation of \$80.0 contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

If this legislation is “to fund a motor vehicle field office in Mora County” as the bill states, then TRD’s Motor Vehicle Division will need substantially more money to convert it to a state-run MVD office. Lease costs, salary and benefits, utilities, etc., will need to be compiled to ascertain how much a state-run office in Mora will cost. TRD has not yet responded to LFC’s request for information.

In addition, if Mora’s motor vehicle is not profitable --if the need and demand for a motor vehicle business is low, then perhaps there is no need for an office in Mora. It is suggested that the demand, transaction level and profitability be analyzed by TRD’s Motor Vehicle Division in order to assess Mora’s need for a separate motor vehicle office. NOTE: There is a new motor vehicle office in Angel Fire which is approximately 20 miles from Mora.

POSSIBLE QUESTIONS

1. Clarify whether this bill is providing supplemental money to Mora’s motor vehicle office again or whether it is requesting that the state’s MVD assume its operations.
2. If Mora needs supplemental funding, why isn’t funding being requested for FY03? How can Mora anticipate that it will need additional funding in FY04? Does Mora know that transactions will be low, and therefore, it will not be profitable?