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## FISCAL IMPACT REPORT

SPONSOR: Aragon DATE TYPED: 03/03/03 HB \_\_\_\_\_

SHORT TITLE: Charges for Copying Motor Vehicle Records SB 872

ANALYST: Hayes

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
\$0.1	\$0.1	\$0.1	Recurring	

(Parenthesis ( ) Indicate Revenue Decreases)

\$01. = Revenue estimate unknown

Duplicates HB 927

Relates to HB 205

### SOURCES OF INFORMATION

Responses Received From

Taxation and Revenue Department (TRD)

Commission of Public Records

### SUMMARY

#### Synopsis of Bill

Under Section 66-2-7 NMSA 1978, the Motor Vehicle Division is permitted to make a reasonable charge for copies, printouts or abstracts of its records. Senate Bill 872 amends Section 66-2-7 NMSA so that TRD may also charge a reasonable fee to defray the actual cost of creating, maintaining and preserving the integrity of the database for furnishing photocopies, printouts or abstract MVD records.

SB 872 contains an emergency clause so that provisions of this act may take effect immediately.

#### Significant Issues

1. According to TRD, certain states have implemented information systems that make their motor vehicle information available to data users for a charge that covers the costs of system development. This approach achieves the goal of disseminating information re-

quested, but the costs are borne by the users of the information. “Users” are often businesses, like insurance companies, for whom the data are a valuable source of information. SB 872 would enable the Motor Vehicle Division to implement a similar system of disseminating non-confidential information with the data users bearing the development costs for that information.

2. Some companies have used the MVD database as a mailing list for advertising and for other purposes. In turn, those companies have resold information from MVD’s database for a profit. The cost of developing and providing MVD information is borne by New Mexico taxpayers, but is profitable to private entities.

## **FISCAL IMPLICATIONS**

TRD did not provide actual cost information of its system or propose a formula for determining a proper charge/fee to defray the costs for creating and maintaining the MVD database. Further testimony or documentation may be needed from the department regarding how database and maintenance costs will be assessed and allocated in order to calculate a “reasonable charge.”

The agency also did not provide revenue estimates relating to the fee addressed by this bill. In fact, TRD stated that there would be “no net impact on the department’s budget” in its analysis.

The intent of this legislation is to authorize the fee charged to database users to be sufficient enough to “defray the actual cost... of the database.” However, it is unclear whether or not revenue generated from this ‘enhanced’ fee is intended to be re-directed to MVD, given the agency’s response noted above.

## **DUPLICATION AND RELATIONSHIP**

HB 927 duplicates this bill.

HB 205 amends the Inspection of Public Records Act so that photocopy charges do not exceed the record custodian’s actual costs for photocopying and so electronic data must be provided by the means least expensive to the public.

Section 14-3-15.1 NMSA 1978 contains provisions for copying data for the public from a database.

## **POSSIBLE QUESTIONS**

1. How much more revenue will be collected from MVD database users if this legislation is enacted? Will revenue from the enhanced fee be collected and used by MVD directly?
2. How will TRD isolate and allocate the *actual cost of creating, maintaining and preserving the integrity of the database*? Does TRD have an idea what the new “reasonable charge” imposed on users will be yet?

**CMH/sb**