

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: SCORC DATE TYPED: 3/14/03 HB _____
 SHORT TITLE: Public Peace, Health, Safety and Welfare SB 888/SCORCS/aSFI#1
 ANALYST: Chabot

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
		TBD See Narrative	Recurring	Regulation and Licensing Department Operating Fund

(Parenthesis () Indicate Revenue Decreases)

Related to SBs 574 and HB 596 that increase fees for liquor licenses and investment advisors and their representatives.

SOURCES OF INFORMATION

Responses Received From
 Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of SFI#1 Amendment

The Senate Floor Amendment #1 to Senate Bill 888 in effect provides only increases in fees above what is collected in fiscal year 2003 will be deposited in the Regulation and Licensing Department Operating Fund.

Synopsis of Original Bill

Senate Bill 888 addresses the “regulation and licensing department fund”, and provides that money in the fund shall be appropriated to the department to carry out the programs, duties and services of the department and its divisions.

Money in the fund shall not revert to the general fund at the end of the year.

SB 888 provides that the following monies shall be deposited into the “regulation and licensing department fund.”

1. registration fee revenue in excess of \$35.00 per license collected from investment advisers and investment adviser representatives pursuant to Section 58-13B-9, NMSA 1978;
2. license and permit fees collected by the construction industries division pursuant to Sections 60-13-20 and 60-13-45 NMSA, 1978 in excess of the amount collected in fiscal year 2003;
3. fees collected by the manufactured housing division pursuant to Section 60-14-4 NMSA 1978 in excess of the amount collected in fiscal year 2003;
4. fees collected for small loan company license applications in excess of \$500 per license pursuant to Subsection B of Section 58-15-5;
5. fees for annual examination for small loan companies in excess of \$200.0 per license collected pursuant to Subsection A of Section 58-15-9.

The following fees would be collected from the existing fee structure:

1. \$50.00 for each retailer’s license fee collected pursuant to Subsection J. of Section 60-6A-15, NMSA 1978;
2. \$50.00 of each dispenser’s license fee collected pursuant to Subsection K of Section 60-6A-15, NMSA 1978;
3. \$50.00 of each canopy license fee collected pursuant to Subsection L of Section 60-6A-15, NMSA 1978;
4. \$50.00 of each restaurant fee collected pursuant to Subsection M of Section 60-6A-15, NMSA 1978;
5. \$50.00 of each license application fee collected under Subsection A of Section 60-6B-2, NMSA 1978;

Significant Issues

- The bill provides all increases in fees for the five specified fees would be deposited in the regulation and licensing department operating fund which is appropriated to the department to be used to meet operating expenses. However, as written, the bill would also take \$50.00 from the existing fees for the other five fees. Representatives from RLD state that this was not the intent of the bill and an amendment will be forthcoming to specify that only fee increases for all ten of the fees will be deposited in the fund.
- RLD states “as a result of progressive budget reductions, it has lost 21 FTEs since 1994... making it difficult to meet the demands of increased licensees and permittees. This increases turn-around times to issue licenses.” In addition, the agency has increased costs due to increased lease expense, moving expense, telecommunication relocation

costs and information technology system costs.

- This bill would provide any fee increases would be available to RLD through the fund for these increased costs and restoring FTEs.
- Not included in this bill, but proposed by RLD, are statutory license fee increases for liquor retailing including transfer and renewal of licenses (\$50.00 each transaction) and for investment advisors and their representatives (\$15.00 for each). Administrative increases are proposed by RLD for construction permits and inspections (\$200.00) and manufactured housing installer licenses (\$100.00) and permits (\$20.00). These proposed increases would result in \$1.9 million to the fund in fiscal year 2004. RLD states they have the regulated entities support for these increases.

FISCAL IMPLICATIONS

This bill provides for continuing appropriations to the agency from the fund. The LFC objects to including continuing appropriation language in the statutory provisions for funds. Earmarking reduces the ability of the legislature to establish spending priorities.

TECHNICAL ISSUES

Page 2, line 16 after “appropriated” add “by the legislature”.

The amendment identified by RLD specifying only revenue from increased fees will be deposited in the fund should be passed prior to acting on this bill.

GAC/yr/njw