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FISCAL IMPACT REPORT

SPONSOR Cravens DATE TYPED 2/12/2004 HB _____

SHORT TITLE Collection of Ignition Interlock Fees SB 476

ANALYST Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	(\$190.0)	(\$190.0)	Recurring	Interlock Device Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration

Department of Transportation

Administrative Office of the Courts

Taxation and Revenue Department

Public Defenders Department

SUMMARY

Synopsis of Bill

Senate Bill 476 substitutes a flat \$10 fee imposed on persons convicted of DWI for the ignition interlock fund instead of a fee in the amount of ten percent of the amount charged to lease, install, service and remove each device. The bill requires the vendor to collect the fee and transmit the monies to the local government division of the department of finance and administration.

Significant Issues

The current process has become an administrative burden to both the DFA and the ignition interlock service providers, which the NMDOT licenses and oversees. The fee structure in the current law is complex and difficult to administer.

According to DFA, advocates of this law estimate fewer than 2,000 interlocks were installed on vehicles in FY03. For FY04, the estimates could increase by from 25 percent to 50 percent.

FISCAL IMPLICATIONS

Senate Bill 476 would reduce revenues into the ignition interlock fund by a magnitude of 10. The table below illustrates this impact. As an example, given an ignition interlock cost of \$1,050, the fund would lose \$190 thousand annually if 2,000 devices were installed.

Revenue Comparison: \$10/fee vs. 10 percent of cost

<u>Number of Installations</u>	At		<u>Difference</u>
	\$ 10.00	10 percent	
2000	\$ 20,000.00	\$ 210,000.00	\$ (190,000.00)
2500	25,000.00	262,500.00	(237,500.00)
3000	30,000.00	315,000.00	(285,000.00)

The interlock device fund receives an annual appropriation from the local DWI grant fund of \$300 thousand. Under SB476, DFA is provided authority to take a 5 percent administration fee from the fund. As such, DFA could receive an appropriation of approximately \$16 thousand to assist its efforts to administer the fund.

ADMINISTRATIVE IMPLICATIONS

According to DFA, SB476 will make administration of this fund significantly easier. By changing the law to one simple \$10 payment at installation, SB476 will reduce the number of payments for an individual offender from 12 to 1.

MFV/lg:yr