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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/07
 LAST UPDATED 2/26/07 HB _____

SPONSOR Griego

SHORT TITLE Transportation Services Division of the GSD SB 427/aSCORC/aSPAC

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)

Energy, Minerals and Natural Resources Department (EMNRD)

Department of Corrections (DC)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment clarifies that the Transportation Division of GSD may provide that custody reside in another state agency, in particular, the Energy, Minerals, and Natural Resources Department or the Department of Game and Fish if it determines that it is impractical for GSD to retain custody.

Synopsis of SCORC Amendment

The Senate Corporations and Transportation Committee amendment removes the brackets and line through “carry out the provisions of the Alternative Fuel Conversion Act”. The amendment removes the word “Conversion” and replaces it with the word “Acquisition” to correctly reference the Alternative Fuel Acquisition Act and reinstates the TSD’s requirement to supervise and monitor the alternative fuel conversion program. This requirement would only apply to vehicles owned and leased by TSD. This amendment will assist EMNRD in ensuring that 75 percent of state vehicles purchased each year are capable of using alternative fuels.

Synopsis of Original Bill

Senate Bill 427 amends the enabling statute of the Transportation Services Division (TSD), General Services Department (GSD) by assigning responsibility for control of vehicles, inventory, titles, registration, state employee driving records and maintenance of vehicles under control of other agencies. It removes references to administration of the Alternative Fuel Conversion Act and state travel coordination program.

FISCAL IMPLICATIONS

Re-plating of government vehicles under TSD control will require creation of new license plates for approximately 8,000 vehicles. TSD anticipates using existing license plate contracts used by the Motor Vehicle Division (MVD) of the Taxation and Revenue Department (TRD) to re-issue license plates at \$1.60 per plate. This fee will be passed through to those agencies who utilize TSD services.

SIGNIFICANT ISSUES

GSD reports that this legislation clarifies the scope of responsibility for TSD in that TSD would no longer be accountable for state agency vehicles that are exempted from the Transportation Services Act. GSD has carried an audit finding since 1997 because the current TSD statute conflicts with other statutes (e.g. MVD).

Specifically, SB 427 would:

- Remove the reference to the alternative fuel conversion program from TSD
- Define state vehicle to include vehicles up to 10,000 pounds
- Eliminate the requirement to maintain all individual state driver records since these are maintained by MVD
- Eliminate requirement that TSD hold the physical title for all state vehicles. MVD has electronic files available to TSD for access
- Eliminate the requirement to mark each department's vehicles in consecutive order
- Allow agencies to seek exemptions from the vehicle marking requirements
- Allow TSD to reissue governmental license plates for those vehicles under state control
- Retain authority to develop and enforce driver and vehicle standards

The NMNRD noted several concerns with SB 427 as drafted. EMNRD reports that, EMNRD's Forestry Division, Oil Conservation Division, State Parks Division and Mining and Minerals Division currently have an exemption from TSD maintaining custody of the divisions' fleets. The exemption is allowed because many of EMNRD's vehicles are used for emergency or law enforcement purposes, are not based in Santa Fe, are purchased with restricted federal funds and most are required for use on a regular basis. SB 427 would eliminate the exclusions related to the vehicles not being in Santa Fe, the agency requiring use of the vehicle on a regular basis and being purchased with restricted funds such as federal funds. Based on this fewer vehicles in the divisions' fleets would be eligible for an exemption.

EMNRD believes it would be burdensome and impractical for staff to go to the state motor pool each time they need a vehicle. Even in those divisions that do not have field offices, EMNRD divisions have staff in the field, traveling through out the state on a daily basis.

If an exemption were not granted for EMNRD's fleet, it would create unnecessary administrative complications in owning a portion of the fleet and having to lease some of the fleet. The elimination of some of the exemptions (Section 15-8-6 B, NMSA 1978) increases the likelihood of this happening.

Additionally, EMNRD noted that the Alternative Fuel Acquisition Act (Act), requires that agencies and departments of state government and educational institutions report to EMNRD on progress toward complying with the Act. The total number of vehicles acquired in the preceding fiscal year must be reported, including those vehicles capable of operating on alternative fuels or gas-electric hybrid vehicles. The General Services Department is the largest fleet operator in state government. Currently, the Transportation Services Division is responsible for acquisition, tracking and reporting of vehicles owned or leased by all agencies and departments of state government. If this requirement is removed, it will be difficult for EMNRD to ensure that 75 percent of state vehicles purchased each year are capable of using alternative fuels.

The Department of Corrections notes that under the current statute the GSD may allow agencies to maintain custody of vehicles where it would be impractical for them to have to obtain the vehicle from the GSD each time it is needed. The Department maintains custody of its more than 240 assigned state vehicles based on two concepts of impracticability: 1) many of the Department's vehicles are not based in Santa Fe, and 2) the Department requires the use of its assigned vehicles on a regular basis statewide. If SB 427 is passed the Department believes it would have to get an exception, after making a written request for such, to maintain custody of its assigned vehicles rather than have custody maintained by the GSD. If GSD does not grant the exceptions, the Department could face significant operational challenges related to transportation of its employees while conducting Department business.

ADMINISTRATIVE IMPLICATIONS

The Department of Corrections reports that performance efficiency could be reduced if the Department has to retrieve assigned vehicles from Division custody each time a Department employee needs a vehicle to conduct Department business.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

TSD will continue to be in violation the current statute because TSD is unable to maintain control over the state vehicles that TSD do not own or lease. The 1997 audit finding will remain unresolved.

QUESTIONS

1. Does the exemption provision in SB 427 address the concerns of EMNRD and the Department of Corrections as outlined above? Should it be clarified?
2. Is there a way to allow EMNRD to continue to collect the information it needs to track the states progress on alternative fuel vehicles/