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FISCAL IMPACT REPORT

SPONSOR Cook **ORIGINAL DATE** 02/11/11
LAST UPDATED 02/16/11 **HB** 135/aHCPAC
SHORT TITLE Certain Off-Highway Vehicles on Streets **SB** _____
ANALYST Lucero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
TRD		\$20.5		\$20.5	Nonrecurring	General Fund
DGF		\$21.6	\$21.6	\$43.2	Recurring	Off-Highway Vehicle Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

Department of Transportation (DOT)

Department of Game and Fish (DGF)

SUMMARY

Synopsis of HCPAC Amendment

House Consumer and Public Affairs Committee (HCPAC) amendment clarifies that an off-highway vehicle (OHV) that has been registered as a vehicle can be operated at a speed greater than 10 miles per hour on a paved street or highway in certain circumstances.

Synopsis of Original Bill

House Bill 135 will amend the Off-Highway Motor Vehicle Act to allow certain off-highway vehicles (OHV) to be operated on a highway if the OHV is registered as a motor vehicle. The OHV must meet equipment requirements for highway use. If the OHV is registered and driven as a standard motor vehicle, the driver must also be licensed.

FISCAL IMPLICATIONS

This proposal will have no significant revenue impact. It is assumed that very few off-highway vehicles (not certified by the manufacturer to meet highway requirements) would be modified so as to meet highway requirements. The waiver of the motor vehicle registration fee is not considered a revenue loss since the off-highway registration is paid, and the vehicle would not otherwise be eligible for motor vehicle registration.

The Department of Game and Fish, which administers the Off-Highway Motor Vehicle Act, reports there will be an additional cost to the department for re-training law enforcement officers statewide. Additionally, all OHV educational materials developed in Fiscal Year 2011 will need to be updated and printed with the new provisions of the bill. Estimated cost for training of law enforcement is \$6,656.00 and for reprinting of educational materials \$15,000.00.

SIGNIFICANT ISSUES

HCPAC amendment makes technical improvements that do not make any substantive changes to the intent of the original bill.

This bill would allow a person paying for an off-highway motor vehicle registration to request a motor vehicle registration if the vehicle meets all equipment requirements to be operated on a highway. The person would have to submit a signed affidavit affirming that the vehicle meets all equipment requirements for use on the highway, and that the vehicle would primarily be used off of highways, in order for the registration to be issued. The vehicle owner would not be required to pay the regular vehicle registration fee. Snowmobiles are specifically excluded from this new section.

The New Mexico Department of Transportation (DOT) provides:

The U.S. Consumer Product Safety Commission (USCPSC) advises that all-terrain vehicles (ATVs) should never be driven on paved roads. The USCPSC also reports that children under the age of 16 should never ride an adult ATV and that 1/3 of all ATV deaths and injuries involve victims under the age of 16.

The National Highway Traffic Safety Administration (NHTSA) has defined motor vehicles as “vehicles that are driven or drawn by mechanical power and manufactured primarily for use on public streets, roads, or highways.” ATVs are not included in NHTSA’s definition of motor vehicles.

Motor vehicle crashes are the leading cause of death for teenagers. In New Mexico, 13 percent of all drivers in crashes were teenagers, although teenagers comprised only 5 percent of New Mexico drivers. In 2008, a teenager was killed in a traffic crash every 12 days and one was injured every 200 minutes. 24 percent of crashes involving teenage drivers occurred at night, compared to 21 percent of all crashes that occur at night.

Most ATVs lack a differential which makes turning difficult. Without a differential, an ATV relies on the strength and skill of the rider. ATVs travel on low pressure tires and have a high center of gravity, which increases the probability of a rollover.

ADMINISTRATIVE IMPLICATIONS

If enacted into law, administration might prove difficult. The requirement that the Motor Vehicle Division (MVD) register at no cost the vehicle for highway use if the off-highway registration fee has been paid will require the ability to verify payment of the off-highway fee. Also, if the vehicle obtains registration for operation on highways, it would then be legal on any highway of the state except a freeway or limited access highway.

Implementation of this bill will have a moderate impact for TRD's Information Technology Division (ITD). Listed are the affected programs and time estimates:

- MVD 2.0 (140)
- MVD Mainframe Batch (120 hrs)
- MVD Mainframe MVRO (60 hrs)
- User Acceptance Testing (90 hrs)
- Total Hours: 410 at \$50/hour = \$20,500

TECHNICAL ISSUES

- The current Off-Highway Motor Vehicle Act allows operators 10 years of age and older to operate an OHV if supervised by a licensed driver over the age of 18. The current Graduated Driver Licensing laws do not allow for a permit or license for any applicant under the age of 15.
- Due to time and resource constraints, required Information Systems changes may not be in place before the June 17, 2011 effective date of the bill. The Taxation and Revenue Department (TRD) requests the effective date of the bill be changed to January 1, 2012.
- The bill states that if the owner provides a signed affidavit, "the department shall register the vehicle ..."; there are no provisions in the bill requiring the owner to prove or demonstrate that the vehicle does indeed meet the requirements of a highway motor vehicle

ALTERNATIVES

If the off-highway vehicle obtains registration for operation on highways, it would then be legal on any highway of the state except a freeway or limited access highway. Although supposedly limited to only occasional use on the highways, the safety issues regarding off-highway vehicles operating on 55 mph highways should present a significant policy concern. An alternative might be the approach taken by SB-254, which provides for allowing use of off-highway vehicles on streets or highways with a speed limit not exceeding 35 miles per hour.

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