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FISCAL IMPACT REPORT

ORIGINAL DATE 03/05/15

SPONSOR Griego **LAST UPDATED** _____ **HB** _____

SHORT TITLE Transportation Network Company Services Act **SB** 395

ANALYST Sanogo

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	(\$ 25.0)	(\$ 25.0)	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 NM Public Regulation Commission (PRC)

SUMMARY

SB 395 enacts the Transportation Network Company Services Act, to “ensure the safety, reliability and cost-effectiveness of transportation network company service within New Mexico and to preserve and enhance access to these transportation options for residents and visitors to the state.”

The bill excludes transportation network companies (TNC) and their drivers from the definition of “motor carriers,” and excludes taxicab or for-hire service. A TNC would be required to obtain a permit and pay an annual fee of \$5 thousand to the NM Public Regulation Commission (PRC).

Sections 7 through 19 of the bill outline regulations and requirements that would apply to a TNC. TNCs and their drivers would be governed exclusively by SB 395, and any rules or regulations promulgated by the PRC. Municipalities or other local entities may not impose a tax on, or require a license for, a TNC or TNC driver or subject a TNC to rate, entry, operational or other requirements.

FISCAL IMPLICATIONS

The PRC anticipates that if SB 395 becomes law there would be a minimal fiscal impact. The agency estimates that approximately 5 TNCs will submit applications in the first year and every year thereafter for a total of \$25 thousand of additional, recurring revenue to the general fund.

SIGNIFICANT ISSUES

The PRC has submitted the following issues that require clarification:

1. Is it the intent of the Legislature to have annual permit fees paid by TNCs to revert monthly to the state road fund, annually to the general fund, or kept by the PRC?
2. Does the legislature intend on allowing the two year records retention requirement regarding drug and alcohol complaints and investigations (SB 395, Section 12 C), and one year for trip records and driver records (SB 395, Section 18) to expire prior to the expiration of certain statutes of limitation?
3. Does the PRC have the authority under the Act (i.e., SB 395, Section 20) to promulgate rules to inspect TNCs, TNC driver files, and TNC vehicles for compliance with the Act as it currently has under the Motor Carrier Act to inspect motor carriers, motor carrier driver files and motor carrier motor vehicles?
4. Does the PRC have the authority to revoke a permit issued under the Act for noncompliance with the provisions of the Act?
5. Because it is difficult and confusing to ascertain from facts involving such things as when the software application was turned on, and the terms of the applicable insurance policies, does the Legislature want to mandate whether the TNC or the TNC driver holds primary coverage for automobile liability insurance coverage:
 - a. at the time the TNC driver is logged into the TNC's digital network and available to receive requests for transportation? and/or
 - b. when the TNC driver is providing transportation network company services?

AIS/je/aml