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F I S C A L I M P A C T R E P O R T

SPONSOR Garcia, MP ORIGINAL DATE 1/28/19
LAST UPDATED _____ HB 209

SHORT TITLE Car Registration Fee For Low-Income Disabled SB _____

ANALYST Chabot

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$364.7		\$364.7	Nonrecurring	General Fund
Total		(Minimal)	(Minimal)	(Minimal)	Recurring	OSF

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Governor's Commission on Disability (GCD)
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 209 exempts disabled persons with an income of \$15 thousand or less from paying motor vehicle registration fees. The bill includes a definition of "disabled person".

FISCAL IMPLICATIONS

There will be a small reduction in revenue to the state because of the exempted registration fees. However, TRD is uncertain of the amount.

SIGNIFICANT ISSUES

TRD identifies the following issues:

1. The legislation does not indicate how often the exemption needs to be re-certified. Without recertification, fraud may occur if the license is given to someone else.
2. The MVD systems and processes will need to be changed to account for the disabilities specified in the bill. The MVD system currently does not capture disability details and

- the adjusted gross income of the applicant.
3. Changes need to be made to the registration database fields and tables to include: registration information; medical information; registration renewal reminder notifications; application and configuration changes; fee and revenue distribution; on-line processing; and testing to last a minimum of 10 weeks.
 4. Estimated Information Technology costs are \$364.7 thousand.

The earliest TRD anticipates being able to implement the changes required by this bill is no earlier than January 1, 2020.

ADMINISTRATIVE IMPLICATIONS

After the IT changes, TRD states there will be minimal administrative impact after training on the new requirement and changes to the policy manual.

RELATIONSHIP

HB185, HB231, HB232, HB245, HB274, HB306, HB358, SB104, SB206, SB225, SB236, and SB269 all concern vehicle license plates.

TECHNICAL ISSUES

GCD is concerned the bill has a limited definition of “disabled person” and recommends using the federal definition found in Section 35.108 of the American’s with Disabilities Act.

ALTERNATIVES

LFC staff assesses there are other agencies that could certify to the disability. Veterans’ license plates are certified by the Veteran Services Department and sent to TRD to issue special plates. Perhaps GCD could perform a similar related to this bill. As the number of applicants would be relatively small, if GCD were to certify the application and maintain the related records, much of the IT cost could be avoided. A similar arrangement could be made with the Human Services Department Income Support Division on verifying income.

Note: this is a LFC staff suggestion and was not mentioned in GCD input to this analysis.

GAC/sb/gb