

**Bill Analysis and Fiscal Impact Report
Taxation and Revenue Department**

February 5, 2026

Bill:
SB-214

Sponsor:
Senator George K. Muñoz

Short Title:
Motor Vehicle & Boat Act Violation Penalties

Description:
This bill amends the Motor Vehicle Code to increase penalty assessments for certain misdemeanor violations. Sections 66-8-7 NMSA 1978, Penalty for Misdemeanor removes the maximum of \$100 and replaces it with a minimum of \$100 and maximum of \$500. Section 66-8-113 NMSA 1978, Reckless Driving provides a minimum of \$100 instead of \$25 and a maximum of \$500 instead of \$100. Section 66-8-114 NMSA 1978, Careless Driving provides for a minimum of \$250 and a maximum of \$500 for first convictions and a minimum of \$500 and maximum of \$750 for second or subsequent convictions.

Effective Date, Applicability, and Contingency Language:
Not specified or 90 days following adjournment (May 20, 2026).

Taxation and Revenue Department Analyst:
Htet Wint and Sean Bulian – Motor Vehicle Division

Estimated Revenue Impact*

FY26	FY27	FY28	FY29	FY30	Recurring or Non-Recurring	Fund(s) Affected
		Unknown Positive			R	General Fund

* In thousands of dollars. Parentheses () indicate a revenue loss. ** Recurring (R) or Non-Recurring (NR).

Methodology for Estimated Revenue Impact:
The Motor Vehicle Division (MVD) cannot estimate what percentage of penalty assessments will be ultimately collected. If 100% of the 2025 penalty assessments issued were collected, total revenue would increase from \$6.1 million to \$15.6 million. The increase in penalties may be a deterrent causing fewer penalties to be issued in the future. Penalties collected will be remitted to the General Fund.

Policy Issues:
Penalty assessments have not been adjusted for inflation since 2018. By increasing the penalties for misdemeanors, reckless driving, and careless driving, this bill may deter these motor vehicle code violations and result in safer roads in New Mexico.

Technical Issues:
None

Other Issues:
Considering the penalty assessment changes and financial distributions, July 1, 2026, would be a more feasible effective date.

Administrative & Compliance Impact:
Implementation of this bill will have a moderate impact on Tax and Rev’s Information Technology Division (ITD). The estimated time to develop, test, and implement the changes is approximately 480 hours or 3 months for an estimated soft cost of \$33,220 in staff workload costs.

MVD and Tax & Rev's Financial Distribution Bureau (FDB) will verify Tapestry system changes by conducting selected tests of data, functionality, and reporting, including performing a mock distribution before authorizing Tapestry to implement these changes.

Estimated Additional Operating Budget Impact*

FY26	FY27	FY28	3 Year Total Cost	Recurring or Non-Recurring	Fund(s) or Agency Affected
	\$33.2		33.2	NR	ITD Suspense Fund – Staff Workload Cost

* In thousands of dollars. Parentheses () indicate a cost saving. ** Recurring (R) or Non-Recurring (NR).

Related Bills:

SB-265 Regular 2025 Session