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FISCAL IMPACT REPORT

SPONSOR Arnold-Jones ORIGINAL DATE 02/24/09
LAST UPDATED _____ HB 641
SHORT TITLE Pedestrian Safety Enhancement Act SB _____
ANALYST Lucero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Minor	Minor	Minor	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 641 proposes to enact the Pedestrian Safety Enhancement Act, a new section of the Motor Vehicle Code, to require hybrid motor vehicles to emit omni-directional sounds similar to internal combustion engines, claiming that the quietness of hybrids vehicles endangers visually-impaired pedestrians and other persons including bicyclists, runners and small children.

The Act establishes a minimum sound level standard for all phases of motor vehicle operation and requires the traffic safety bureau to promulgate rules to establish such standards by July 1, 2010, would require all new motor vehicles sold comply by July1, 2012, and would require all motor vehicles registered in the state to comply by July 1, 2013.

FISCAL IMPLICATIONS

There may be a minor cost to the Motor Vehicle Division associated with testing vehicles at the time of registration to detect noise emitting sounds. The bill does not contain an appropriation.

SIGNIFICANT ISSUES

The bill imposes requirements on hybrid motor vehicles sold and registered in New Mexico that do not exist in other states. It is unclear whether opponents of the bill may raise preemption issues regarding motor vehicle standards. It appears the U.S. Congress in 2008 considered such a bill but we could not verify the final status.

ADMINISTRATIVE IMPLICATIONS

According to the Taxation and Revenue Department (TRD), MVD is unable to implement a safety inspection program at the 92 MVD field offices and over 200 title service companies without significant funding. The latter program would likely have to be serviced by an outside vendor.

TRD-MVD and IT would have to develop systems for tracking and verifying compliance with the equipment and inspection requirements of this bill.

Implementation would involve changes by TRD-IT to the following programs:

- MVD Mainframe Batch Programs (80 hrs)
- MVD 2.0 Vehicle Titling and Registration Programs (60 hrs)
- MVD Monthly Vehicle Registration Billing Program (40 hrs)
- User Acceptance Testing (120 hrs)

Estimated total: 300 hrs @50/hr = \$15,000

NOTE: Estimates are based on using the existing rules and procedures that are used with the current emission system standards. Major deviations from this may cause an increase in the actual hours needed to implement

TECHNICAL ISSUES

The bill does not adequately address what type of “noise maker” should be added to a vehicle.

According to the Los Angeles Times, companies are working on a range of solutions, such as Lotus’ idea to install a waterproof speaker on the front of the car that would project realistic-sounding engine noise. Federal traffic safety regulators report that no deaths or serious injuries have been attributed to quiet-running hybrids. More than 350,000 were sold in the U.S. last year, according to marketing information firm J.D. Power and Associates.

OTHER SUBSTANTIVE ISSUES

According to the Attorney General’s Office (AGO) by requiring hybrid motor vehicles sold in the state to emit sounds, HB 641 appears to conflict with federal guidelines and standards for all motor vehicles sold throughout the country. HB 641 raises interstate commerce issues by its requirement that hybrid motor vehicles sold in New Mexico must emit sounds, when hybrids sold elsewhere in the country do not have this mandate imposed. It is possible, if not likely, that the doctrine of federal preemption would find that federal guidelines and standards for motor vehicles supersede state standards, thus invalidating what HB 641 proposes.

Placing regulations on hybrid motor vehicles that differ from other states may hinder the adoption of energy saving vehicle conversion in New Mexico.

ALTERNATIVES

A memorial urging the New Mexico Congressional Delegation and the National Highway Traffic Safety Administration (NHTSA) to effect such safety legislation or rules at the federal level might be more appropriate to the content and purpose of the bill.

DL/mt