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## FISCAL IMPACT REPORT

**SPONSOR** HCPAC **ORIGINAL DATE** 02/05/10  
**LAST UPDATED** 02/10/10 **HB** 25/HCPACS  
**SHORT TITLE** Online & Phone Driver's License Renewal **SB** \_\_\_\_\_  
**ANALYST** Lucero

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	None		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

House Consumer and Public Affairs Committee Substitute for House Bill 25 proposes to amend the Motor Vehicle Code to provide for the renewal of driver's licenses by telephone, mail or the division's web site within ninety days prior to its expiration. The bill allows for license issued prior to an applicant's twenty-first (21) birthday may be issued for up to a five (5) year term.

The bill provides for the licenses to expire thirty days after the applicant's seventy-fifth (75) or 21<sup>st</sup> birthday.

The bill would exempt a driver's license renewal from an eyesight test if the renewal is by mail, telephone, or electronic means. The bill also provides for the renewal of identification cards by telephone, mail or the division's web site.

The bill would allow for proration of driver's license fees due to the shortened licensure periods.

The department shall ensure adequate security measures to safeguard personal information that is obtained in the issuance of a driver's license or identification card.

## **FISCAL IMPLICATIONS**

Prior to implementation of telephone and electronic renewals, MVD will have to develop procedures and internet capacities to ensure as this bill requires that adequate security measures are in place to safeguard personal information. It is unknown what costs, if any, the agency might incur to implement the security provisions of this bill.

## **SIGNIFICANT ISSUES**

The bill will give Motor Vehicle Division (MVD) authority to adopt regulations to provide a variety of methods to renew a driver's license or an identification card.

Allowing renewal of drivers' licenses by telephonic or electronic means is both customer-friendly and more efficient for MVD, by reducing wait times at MVD offices and freeing up agents to better serve those customers who genuinely need personal assistance.

Providing for expiration of under-21 licenses 30-days following the 21st birthday will eliminate the problem of over-21 individuals being unable to purchase alcoholic beverages because they hold an under-age vertical-format license, or having to pay extra to get a regular horizontal-format card at age 21 when their license has not yet expired.

Providing for expiration of over-75 licenses 30-days following the 75th birthday is consistent current practice.

## **PERFORMANCE IMPLICATIONS**

The department has performance measures which report wait times in field offices. Online renewal could reduce field office wait times.

## **ADMINISTRATIVE IMPLICATIONS**

TRD can handle the provisions of this bill with existing staff as part of ongoing responsibilities. Eventually the online system may save staff time. However, prior to implementation of telephone and electronic renewals, TRD-MVD will have to develop procedures and computer/internet capacities to ensure (as required by this bill) that adequate security measures are in place to safeguard personal information. Implementation of this bill will have a low to mid impact on TRD-ITD

## **CONFLICT**

TRD states that this bill conflicts with SB137, "Alternative Driver's License Renewal." SB137 provides for the expiration of the under 21 license at age 21, an action sought by MVD.

## **ALTERNATIVES**

The HCPAC substitute address the concern previously identified .  
The bill could be substituted with the same provisions contained in SB137.