

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/11

SPONSOR Griego, P. LAST UPDATED _____ HB _____

SHORT TITLE Motor Vehicle Disability Fund Fee SB 65

ANALYST Wilson

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Non-Rec	Fund Affected
FY2011	FY2012	FY2013	FY2014	FY2015		
*	\$6,280.0	\$6,370.0	\$6,460.0	\$6,560.0	Recurring	Disability Fund
*	\$1,190.0	\$1,200.0	\$1,220.0	\$1,240.0	Recurring	State Road Fund**
*	\$380.0	\$390.0	\$390.0	\$400.0	Recurring	Local Governments

(Parenthesis () Indicate Expenditure Decreases) * Without a specified effective date the new fee will become effective beginning on June 17, 2011 and two weeks of registrations in FY 2011 will be impacted. ** The Motor Vehicle Suspense Fund goes 74.65% to the Transportation Road Fund, with the remainder going to cities and counties for road purposes.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$42.5				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Transportation (DOT)
 Governor's Commission on Disability (GCD)
 State Treasurer (ST)
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 65 requires TRD to collect an annual disability fund fee of \$5.00 for each vehicle registered. Vehicles include motorcycles, passenger vehicle, trucks, truck tractors, road tractors and busses. The division shall pay the fee it collects to the state treasurer, who shall distribute \$4.00 of the fee to the disability fund and credit one dollar \$1.00 of the fee to the motor vehicle suspense fund, to be distributed in accordance with Section 66-6-23 NMSA 1978.

This bill is endorsed by the New Mexico Finance Authority Oversight Committee.

FISCAL IMPLICATIONS

In 2010 registrations to which this bill will apply totaled:

51,508 motorcycles
920,111 passenger vehicles
549,262 trucks, truck tractors, road tractors and buses, and
1,919 school buses and buses operated by religious or nonprofit charitable organizations

Total: 1,522,800 registrations.

Not included in this total are registrations of trailers and off-road vehicles, to which this bill will not apply.

Registrations are assumed to grow at approximately 1.5% annually, roughly equal to the rate of population growth in New Mexico.

Revenues distributed from the Motor Vehicle Suspense Fund are divided, per Section 66-6-23 NMSA 1978 at 75.65% to the State Road Fund and 24.35% to various local government funds. The new fee will be applied to more than 1.5 million registrations annually

SIGNIFICANT ISSUES

The disability fund was established in State statute 28-10-5 NMSA 1978. The idea of a vehicle registration fee to finance the fund was discussed and unanimously approved by the GCD. The GCD directed their director to pursue potential legislation through the legislative interim committee process.

The interim Legislative Health and Human Services Committee (LHHS) heard the disability fund proposal in November, 2010, which heard the Commission presentation and voted to send the proposal to the LFC for consideration.

The disability fund will assist, not supplant in providing financial support of aging and disability related programs, projects and/or services to improve the quality of life for all New Mexicans with disabilities, both youth and seniors.

The GCD notes that the proposed disability fund could assist in many different disability-related programs, services and projects such as:

- Accessible Rural Transit – possible federal medicaid for medical trips match
- Adaptive Driving Program – assistance with program start-up and development (program will assist seniors and New Mexicans with disabilities in maintaining, regaining driving independence)
- Centers for Independent Living – assist in potential CIL expansion into the eastern, northern and southwestern regions of the State

Senate Bill 65 – Page 3

- Conference on Aging – assist in sponsorship of annual conference (annually draws 1,200-1,500 seniors)
- Disability History Project – ongoing collaborative project to record (video and audio) the lives and contributions of New Mexicans with disabilities
- DVR Benefits Counseling – collaborative effort with DVR (each state dollar generates 94% federal match)
- Guardianship Program – assist in funding of the program which provides assistance to NM citizens with disabilities
- Home Modifications & Assistive Technology – potential medicaid match under current home and community based waiver programs
- Reasonable Accommodations - employment related at work sites for New Mexican citizens with disabilities
- Service & Support Personnel – direct services to assist people who are deaf/blind
- Sign Language (ASL) Interpreters - legal or medical interpreting assistance for people who are deaf or hearing impaired
- Southwest Conference on Disability - assist in sponsorship of annual conference (annually draws between 700 and 900 people from Southwest Region)
- Veterans Jail Diversion Project – assist in project to deflect homeless veterans from the judicial system

ADMINISTRATIVE IMPLICATIONS

This amendment will require TRD's Information Technology Division (ITD) personnel to change MVD revenue codes for registration fees collected on behalf of the disability fund. The Financial Distribution Bureau (FDB) will need to change MVD distribution worksheets to calculate distribution to beneficiaries. FDB will need to establish new accounts in SHARE. TRD will need \$42,500 to implement the provisions of this bill.

The GDC will activate an advisory committee to annually recommend disability fund allocations.

ALTERNATIVES

TRD recommends that the effective date be moved out to January 1, 2012, because, the July 1, 2011 deadline will be difficult to meet. TRD will have time and resource constraints since the new MVD Milagro System is scheduled to be in production by fall of 2011

DW/bym