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FISCAL IMPACT REPORT

ORIGINAL DATE 01-24-10

SPONSOR Keller LAST UPDATED HB

SHORT TITLE Continuing Education For Certain Car Dealers SB 75

ANALYST Lucero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		See Fiscal Impact	See Fiscal Impact	See Fiscal Impact	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

No Response Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 75 proposes to amend Section 66-4-2 NMSA 1978 of the Motor Vehicle Code to require the completion of four hours of continuing education every two years as approved by the Taxation and Revenue Department (TRD) Motor Vehicle Division (MVD) as a qualification for renewal of a license issued to a nonfranchise vehicle dealership

FISCAL IMPLICATIONS

There would a minimal fiscal impact to the Motor Vehicle Department budget associated with reviewing the education course work.

SIGNIFICANT ISSUES

Under current law, 8 hours of education is required for the initial nonfranchisee dealership applicant but none for license renewal.

Requiring all nonfranchise vehicle dealers to have eight hours of continuing education hours before their license could be renewed would benefit dealers, consumers, the Dealer Licensing Bureau, law enforcement, the Attorney General's office and bond companies. The individual non-franchise dealers would be better versed in, and more likely to comply with, state and federal statutes and rules regulating their industry. This bill adds to an existing requirement of eight hours of training for *newly-licensed* non-franchise dealers.

ADMINISTRATIVE IMPLICATIONS

Motor Vehicle Division's Dealers Bureau expects that the continuing education requirement would result in fewer consumer complaints that must be addressed by the Dealer Licensing Bureau and the Office of the Attorney General.

TECHNICAL ISSUES

The current statute no longer specifies when a license expires after initial issuance. Previously, the statute specified that the license expired after 12 months. See Laws 2007, Chapter 318, or Senate Bill 104 Section (D). The amendment needs to clarify if any licensing period exists – otherwise – initial license may not expire.

It is unclear if the 4 hour continuing education requirement is a one 4 hour class, or if the 4 hours can be spread over the two year time frame.

DL/mew