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## FISCAL IMPACT REPORT

SPONSOR Ingle ORIGINAL DATE 03/02/11  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE Farm-Related Commercial Driver's License SB 571  
ANALYST Lucero

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$32.0		\$32.0	Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Agriculture  
Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 571 proposes to add a new section to the Motor Vehicle Code to allow a restricted commercial driver's license (sometimes referred to as a "seasonal restricted CDL" in other states) to be issued to employees of certain farm-related service industries.

The bill identifies the industries to be included are

1. agriculture-chemical businesses;
2. custom harvesters;
3. farm retail outlets and suppliers; and
4. livestock feeders.

An applicant for a restricted commercial driver's license is to meet all the requirements for a normal commercial driver's license except for the knowledge and skills tests. The applicant must also have a good driving record, the criteria for which are detailed in the section. Applicants for the restricted commercial driver's license shall have a good driving record as defined in the Act. Drivers who have not held a motor vehicle license for at least one year shall not be eligible for the restricted commercial driver's license. Drivers who have been licensed between one and two years shall have a good driving record for their entire driving history. Drivers who have been licensed for more than two years shall have a good driving record for the two most recent years.

The bill identifies the renewal cycle and the seasonal period for which a restricted commercial driver’s license shall be valid; the period shall not exceed one hundred eighty days in any twelve month period. The restricted commercial driver’s license must be revalidated for each successive season and the good driving record must be confirmed prior to any renewal or revalidation.

The driver with a restricted license shall not drive a vehicle carrying a quantity of hazardous materials that would require a placard on the vehicle. Other provisions included in Section 5 (a) through (c) allow a driver with a restricted driver’s license to carry diesel fuel in quantities of one thousand gallons or less; liquid fertilizers, such as plant nutrients, in vehicles or implements of husbandry in total quantities of three thousand gallons or less; and solid fertilizers, such as solid plant nutrients, that are not transported with any organic substance.

**FISCAL IMPLICATIONS**

The Taxation and Revenue Department (TRD) has no information on the number of farm-related restricted commercial driver licenses that might be issued, but assumes the number would be small. Any revenue gain from additional driver license fees would be insignificant.

**SIGNIFICANT ISSUES**

Enactment of this legislation would allow individuals the opportunity to obtain a restricted commercial drivers license to carry out the day-to-day needs of the farming industry. Enactment could result in fewer unlicensed/uninsured individuals on the road.

Issuance of restricted commercial driver’s licenses may provide assurance that individuals working for farm-related service industries could obtain proper documentation to drive vehicles that require commercial licenses.

**ADMINISTRATIVE IMPLICATIONS**

TRD reports that the bill addresses the criteria for a new restricted commercial driver’s license (CDL), but not the fee structure. Without data to the contrary we can assume the fees and distributions will mirror the current CDL. The MVD information technology (IT) databases need to track this license type separately for distribution and reporting purposes. Once the IT programming changes are implemented and tested, there’s no impact on the distribution process.

TRD would need to create a new commercial driver’s license type in MVD IT system, including MVD 2.0 (180 hrs), Mainframe Batch (120 hrs), POS (40 hrs), MVRO (60 hrs), and User Acceptance Testing (40 hrs), for a total of 440 hours or about \$22 thousand. In addition MVD’s card production contractor would charge an estimated \$10,000 for initial set-up of the new restricted CDL.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2011	FY2012	FY2013	FY 11-13		
	22	0	22	NR	TRD-ITD operating budget
	10	0	10	NR	TRD-MVD operating budget

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

## TECHNICAL ISSUES

### TRD reports:

The bill appears to be based on, and takes much of its language directly from Federal Motor Carrier Safety Administration (FMCSA) regulation 383.3(f), which specifically allows for waiver of the knowledge and skills tests and issuance of restricted CDLs to employees of the designated farm-related industries. However, in a small but significant departure from the language of the FMCSA regulation, this bill, on page 3 lines 17-20 says (with emphasis added) that, “a restricted commercial driver's license shall have the same renewal cycle as an unrestricted commercial driver's license but **may** be limited to a seasonal period or periods”

The word “may” on page 3 line 19 should be amended to read “shall” so as to be consistent with the federal regulation, which says at 383.3(f)(3)(ii) (with emphasis added) that, “Restricted CDLs shall have the same renewal cycle as unrestricted CDLs, but **shall** be limited to the seasonal period or periods as defined by the State of licensure....”

There may be certain farm-related service industries that operate on a year round basis; therefore, the seasonal restrictions along with the one hundred eighty day maximum may not be appropriate for all industries.

The bill does not require an age minimum or maximum age restriction.

The bill does not provide for a max number of miles or a limited mileage radius from the farm-related industry, employer’s place of business, or current farm being worked that the license may be valid.

The bill does not provide for a fee for the initial issuance of the license, or the renewal thereafter.

## OTHER SUBSTANTIVE ISSUES

Several states have adopted farm-related or seasonally restricted commercial driver’s license statutes:

1. Kentucky: [601 KAR 11:080. Limited commercial driver's license for farm-related service industries.](#)
2. Ohio: [Lawriter - ORC - 4506.24 Restricted license and waiver for farm-related service industries.](#)
3. Texas: <http://www.txdps.state.tx.us/DriverLicense/documents/DL-7C.pdf>

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