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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/17
LAST UPDATED 2/17/17 **HB** 77/aHfI#1

SPONSOR Trujillo, J

SHORT TITLE Transportation Network Company Act Changes **SB** _____

ANALYST Esquibel

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
		(Unknown)	Recurring	Transportation Division Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Aging and Long-Term Services Department (ALTSD)

Public Regulation Commission (PRC)

Department of Public Safety (DPS)

SUMMARY

Synopsis of House Floor Amendment

The House floor amendment #1 to House Bill 77 clarifies that transportation network company drivers are only exempt from the provisions of the Transportation Network Carrier Services Act when they are driving on behalf of a senior service provider. Any other type of ride by the driver booked through an electronic “online-enabled application” may be subject to the annual \$10,000-per-vehicle fee and other requirements of the Transportation Network Carrier Services Act.

Synopsis of Bill

House Bill 77 proposes to exclude from the Transportation Network Services Act entities of any kind that receive funding to supplement transportation services through Title IIIB of the federal Older Americans Act of 1965.

FISCAL IMPLICATIONS

The bill does not include an appropriation.

The bill proposes to exempt senior transportation services provided by area agencies on aging or other official providers via email or similar “online-enabled application” from paying the annual \$10 thousand permit fee required of a transportation network company under the Transportation Network Company Services Act (TNCSA). The annual \$10 thousand permit fee is payable to the Public Regulation Commission (PRC) and deposited into the transportation division fund managed by the PRC. Under the provisions of House Bill 77, any potential senior transportation services determined to be provided under the auspices of a “transportation network company” would be exempt from the TNCSA and therefore any annual permit fees would not be collected and deposited into the transportation division fund. The amount of potential foregone annual permit fees required under the provisions of the Transportation Network Company Services Act is unknown.

SIGNIFICANT ISSUES

Senior transportation services provided by area agencies on aging or other official providers via email or similar “online-enabled application” may fall under the provisions of the Transportation Network Company Services Act. The Aging and Long-Term Services Department proposes to exclude senior transportation services from the Transportation Network Company Services Act and these senior transportation providers would not be subject to the annual \$10 thousand permit fee required under the Transportation Network Company Services Act that is annually payable to the Public Regulation Commission.

OTHER SUBSTANTIVE ISSUES

The Aging and Long-Term Services Department indicates during the 2016 legislative session, the Motor Carrier Act was amended to allow entities receiving funding to supplement transportation services under Title III B of the federal Older Americans Act to solicit donations, specifically the Area Agency on Aging’s transportation programs. Senior services providers offer senior transportation for older adults who no longer drive and do not have access to public transportation so that they may obtain rides for certain trips, such as medical appointments and shopping for essentials.

The Transportation Network Company Services Act (also enacted during the 2016 legislative session) addresses “transportation network companies” (defined as companies that use a digital network to connect riders to drivers). Although the majority of senior service provider rides are set up via phone or in person, some transportation is requested via email. “Online-enabled application” is not defined, and could include email.

The Transportation Network Company Services Act provides an exemption for transportation services that are included in the Motor Carrier Act. The 2016 amendment to the Motor Carrier Act removes the senior transportation services from the provisions of the Motor Carrier Act (including Public Regulation Commission licensing), but it has the unwanted effect of subjecting the rides to the provisions of the Transportation Network Company Services Act (which includes an annual fee of \$10,000 per vehicle). This annual fee is an undue burden to the senior service

providers as many are located in rural and frontier areas with few drivers who provide rides on a donation basis to supplement the federal funds received under the Older Americans Act. Currently, senior service providers could be required to comply with the Transportation Network Company Services Act. In this event, senior service providers would face a choice between not taking electronic reservations, stymieing elders' access to needed services, or paying \$10,000-per-vehicle fees which would reduce the amount of transportation and other services provided to seniors.

HB 77 fixes this issue by excluding “any entity receiving funding to supplement transportation services through Title III B of the federal Older Americans Act of 1965.”

RE/al/jle