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## FISCAL IMPACT REPORT

<b>SPONSOR</b>	<u>SPAC</u>	<b>ORIGINAL DATE</b>	<u>3/8/19</u>	
		<b>LAST UPDATED</b>	<u>3/11/19</u>	<b>HB</b>
				<u>CS/SB248/aHF1#1</u>
<b>SHORT TITLE</b>	<u>Standards for Required Dealer Education</u>			<b>SB</b>
				<u>/aHF1#2/aHF1#3</u>
		<b>ANALYST</b>	<u>Daly</u>	

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

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From (on original bill, cited when pertinent)

Taxation and Revenue Department (TRD)  
 New Mexico Attorney General (NMAG)  
 Regulation and Licensing Department (RLD)

### SUMMARY

#### Synopsis of HF1#1, HF1#2 and HF1#3 Amendments

House Floor amendments #1, #2 and #3, taken in their totality, remove the “of good character” requirement to be licensed to conduct business as a dealer, auto recycler or title insurance company. They also strike the new subsection (D), defining education.

#### Synopsis of Bill

The Senate Public Affairs Committee Substitute for Senate Bill 248 amends a section of the Motor Vehicle Code to modify annual continuing education requirements for nonfranchised car dealer, auto recycler, and title company licensees. That requirement is increased from the current level of four hours every two years to four hours every year. It also requires this education be provided at a physical location in the state and offered by a regionally accredited New Mexico post-secondary educational institution or an organization that has 501(c)(3) or 501(c)(6) status. The student and the trainer must appear in person, and the education must be taught by a person who has been licensed as a New Mexico dealer for not less than seven years. This definition of education also applies to the required eight hours of pre-licensing education

any person or entity applying for an initial license must complete.

### **FISCAL IMPLICATIONS**

No fiscal impact to the state is anticipated.

### **SIGNIFICANT ISSUES**

TRD advised that currently this education is provided by one entity through a contractual agreement with MVD. TRD noted it is uncertain if this legislation intends to eliminate or foster a competitive environment.

NMAG commented that the term of the initial license issued under this section is unclear. The yearly education requirement seems to imply that it would last a year, but there is no explicit term set.

### **ADMINISTRATIVE IMPLICATIONS**

TRD reported the bill will have minimal impact on MVD with regard to the selection, monitoring, and evaluation of any provider of the required pre-licensing and continuing education.

MD/sb/gb