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FISCAL IMPACT REPORT

SPONSOR Madrid ORIGINAL DATE 02/08/21
 LAST UPDATED 03/03/21 HB 198/aHTPWC/aHSEIC

SHORT TITLE Transfer Some DPS Duties to Dept. of Trans. SB _____

ANALYST Jorgensen

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY21	FY22	FY23		
	\$94.5	\$94.5	Recurring	DOT - Weight Distance Tax Identification Permit Fund
	(\$94.5)	(\$94.5)	Recurring	DPS - Weight Distance Tax Identification Permit Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$94.5	\$94.5	\$189.0	Recurring	General Fund (DPS)

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Public Safety (DPS)
 Department of Transportation (DOT)

SUMMARY

Synopsis of HSEIC Amendment

The House State Government, Elections and Indian Affairs Committee amendment to House Bill 198 strikes the House Transportation, Public Works and Capital Improvements Committee amendment in its entirety and inserts a new definitions section to define “department” as the Department of Transportation rather than the Department of Public Safety allowing the DOT to

administer the Trip Tax Act.

Synopsis of HTPWC Amendment

The House Transportation, Public Works and Capital Improvements Committee amendment to House Bill 198 requires NMDOT to establish a procedure for the issuance of prepaid trip permits for commercial vehicles.

Synopsis of Original Bill

House Bill 198 (HB198) transfers certain authority related to the operations of the ports of entry with respect to the Trip Tax Act, Weight Distance Tax Act and the Motor Transportation Act from the DPS to DOT. Under provisions of the bill, DOT will receive rulemaking authority to administer the various programs, safety, and enforcement features of commercial transportation in each act (e.g., vehicle height, length, loads, caravan fee, movement of manufactured homes, engineering investigations for vehicles in excess of 170 thousand pounds, excessive weight permits, transport of seed cotton modules, transport of agricultural products, etc.). The Taxation and Revenue Department (TRD) retains authority to administer the imposition, collection, and enforcement aspects of tax revenue under the Trip Tax Act. DPS is removed as a recipient of weight distance tax identification permit fund.

HB198 gives DOT authority to designate port of entry (POE) stations and establish locations for inspection, registration and permit services. DOT retains existing authority to provide necessary right of way, approach roads, ramps and other road facilities required for POEs.

HB198 clarifies that only a special fuel user whose vehicle is not registered with DOT shall acquire a temporary special fuel user permit or border crossing special fuel user permit from TRD and makes it a violation of the Act for a person to act as a temporary special fuel user without possessing a valid permit issued by DOT. Additionally, HB198 provides for DOT to issue border crossing special fuel user permits to operators of commercial motor carrier vehicles registered or titled in Mexico. DOT is given rulemaking authority to establish permit fees in compliance with monetary parameters established by statute. HB198 removes the provision requiring notice and hearing before a permit may be revoked.

HB198 provides DOT with authority over credit card payments for fees to be collected. DOT is given additional authority to enter into agreements with financial institutions and credit card companies under which DOT may accept payments from motor carriers in administering the Trip Tax Act, Weight Distance Tax Act, or Motor Transportation Act. Any fee payable to the financial institutions may be deducted from tax proceeds, fees or other charges prior to distribution as required by law. Additionally, HB198 authorizes DOT to collect delinquent weight distance tax at POEs operated by DOT.

FISCAL IMPLICATIONS

DOT entered a memorandum of agreement with TRD and DPS in 2016 to provide staffing at POE facilities which allows DOT staff to collect oversize and overweight permits. Because the DOT currently operates the POEs, there will be no additional costs imposed on DOT by enactment of the provisions of HB198.

Currently, TRD transfers \$94.5 thousand from the weight distance tax identification permit fund to DPS for costs for enforcement of the Weight Distance Act. DPS notes these funds are used to pay for overtime incurred by transportation inspectors at POE facilities and for vehicle inspections. DPS states that “the proposed changes will eliminate DPS from future distributions; however, the vehicle inspections will still need to be conducted. DPS will need to replace the lost revenue with an increase in the general fund appropriation.”

SIGNIFICANT ISSUES

Under the terms of a memorandum of agreement between DOT, DPS, and TRD, DOT is responsible for:

- (1) Hiring temporary workers, and training and scheduling their work at the POEs with respect to issuing certain permits;
- (2) Purchasing equipment necessary to handle issuance of certain permits;
- (3) Maintaining the facilities of the POEs; and
- (4) Coordinating, planning, and performing agreed upon capital improvements to the POEs.

DOT reports:

DOT has identified a consistent yearly increase in permit sales and collections since taking on the administrative responsibilities at the POEs.

Annual Summary Report Jan- Dec						
	2015	2016	2017	2018	2019	2020
Number of Permits Sold	214,459	266,157	278,903	308,105	243,676	308,665
Revenue Collected	\$ 9,653,100.28	\$ 11,453,593.54	\$12,444,457.31	\$14,567,324.90	\$16,073,674.16	\$14,712,306.74
Delinquent WDT Collected @ POE	\$ 4,668,893.02	\$ 5,851,869.88	\$ 5,916,215.68	\$ 6,523,002.81	\$7,001,248.03	\$6,452,921.58

Revenue received from the weight distance tax identification permit fund is utilized by the DOT for capital improvements and maintenance at all POEs.

CJ/al/sb/rl