

LFC Requester:

Joseph Simon

**NMDOT BILL ANALYSIS
2025 REGULAR SESSION**

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute, or a correction of a previous bill}

Check all that apply:

Date Prepared: 3/3/2025

Original Amendment

Bill No. HB 577

Correction Substitute

Sponsor: Jenifer Jones

Agency/ Code: NMDOT - 805 - OGC

Towing Svcs. Oversight

Person Writing Analysis: Sam Roybal

Short Title & Advisory Board

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Not applicable.

REVENUE (dollars in thousands)

Not applicable.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY26 | FY27 | FY28 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|---------------|----------------|---------------|----------------------|------------------------------|------------------|
| Total | Indeterminate | Indeterminate. | Indeterminate | Indeterminate | Indeterminate | Unknown |

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 577 (HB 577) creates the "towing services oversight and advisory board" (Board) in the Department of Transportation (NMDOT) to provide recommendations, oversight and regulatory guidance to the NMDOT regarding the operations of licensed towing services. The Board is made up of 12 members (6 primary and 6 alternate) selected from each state transportation commission (STC) district by NMDOT to serve 3-year terms. HB 577 requires NMDOT to select candidates from stakeholders within the towing and transportation industry, including towing service owners and operators, industry associations and NMDOT representatives. Members must have professional experience in towing operations, transportation regulations, customer service,

legal matters or community advocacy. The Board is to meet no less than quarterly.

The duties of the Board are:

- (1) review and provide recommendations on NMDOT policies, regulations and procedures related to towing services;
- (2) propose improvements to service standards and compliance requirements;
- (3) evaluate citizen complaints regarding towing services and ensure that complaints are properly investigated and resolved;
- (4) facilitate mediation for towing-related disputes arising between citizens and towing services;
- (5) assess whether licensed towing services are complying with state regulations and contractual obligations;
- (6) conduct audits and inspections as necessary to verify compliance with industry standards;
- (7) submit quarterly reports to the NMDOT summarizing activities, findings, complaints, resolutions, licensed towing services that are out of compliance and recommendations;
- (8) engage with state agencies, industry associations and community representatives to promote regulatory transparency and public awareness; and
- (9) provide education to towing service providers and the public on towing regulations, consumer rights and responsibilities.

FISCAL IMPLICATIONS

The exact fiscal impact of HB 577 is unknown, but it is known that it will have a negative fiscal impact on the NMDOT. Pursuant to HB 577, NMDOT is financially responsible for the following specific matters:

- 1) Each board members is entitled to receive per diem and mileage;
- 2) While not clear regarding who and what, HB 577 allows the Board to conduct audits and inspections;
- 3) Facilitate mediations; and
- 4) Provide education to various parties.

SIGNIFICANT ISSUES

The most significant issue with HB 577 is that it puts a financial and administrative burden on the NMDOT without any discernable benefit to NMDOT or New Mexico citizens. The duties to be performed by the Board are either already performed by NMDOT, are available to the stakeholders through NMDOT, and/or can be separately implemented at no additional cost to NMDOT.

PERFORMANCE IMPLICATIONS

None identified.

ADMINISTRATIVE IMPLICATIONS

In addition to performing the process of selecting members of the Board, the NMDOT would need to devote staff time to organizing and administering Board meetings.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The creation of the Board is redundant of the services NMDOT currently performs or is capable of performing.

TECHNICAL ISSUES

None identified.

OTHER SUBSTANTIVE ISSUES

None identified.

ALTERNATIVES

The stakeholders of the towing industry are able to form a similar trade group to accomplish the same things as HB 577 seeks to implement. All of the information necessary for such a trade group to perform most of the duties identified in HB 577 are available to the public already.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMDOT will continue to exercise its statutory authority while engaging stakeholders within the industries regulated by the NMDOT.

AMENDMENTS

None suggested.