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FISCAL IMPACT REPORT

SPONSOR <u>Sen. Duhigg/Rep. Anyanonu</u>	LAST UPDATED <u>02/13/2025</u>
	ORIGINAL DATE <u>02/07/2025</u>
SHORT TITLE <u>Private Collection of Speeding Camera</u>	BILL <u>Senate Bill</u>
<u>Fines</u>	NUMBER <u>91a/STBTC</u>
ANALYST <u>Gygi</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Municipalities	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal		Recurring	Municipal General Funds

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 Administrative Office of the Courts (AOC)
 Attorney General (NMAG)
 New Mexico Municipal League (NMML)

Agency Analysis was Solicited but Not Received From
 Taxation and Revenue Department (TRD)
 Department of Transportation (DOT)
 Mid-Region Council of Governments (MRCOG)

SUMMARY

Synopsis of STBTC Amendment to Senate Bill 91

The Senate Tax, Business and Transportation Committee (STBTC) amendment to Senate Bill 91 (SB91) removes the prohibition against paying a commission to a third-party administrator based on the number of penalty assessments issued.

Synopsis of Original Senate Bill 91

Senate Bill 91 amends Section 66-8-130 NMSA 1978 of the Motor Vehicle Code to allow a municipality that has established a municipal penalty assessment program to use an automated camera or device to detect speeding infractions, provided the municipality does not:

- Impose penalties that exceed the statutory penalty assessments;
- Use a private collection firm to collect unpaid fines;
- Impound a vehicle for unpaid fines;
- Pay a third-party administrator to report non-payment to a credit reporting agency; or

- Pay commissions based on the number of assessments issued.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

There may be an impact on the administrative costs and potential revenue collected by municipalities who use an automated camera or device to detect speeding infractions.

SIGNIFICANT ISSUES

In 2023, the Legislature enacted a law with bipartisan support eliminating the use of penalty assessment fees as revenue (Laws 2023 Chapter 184), because such fees disproportionately impact marginalized communities and amount to double taxation. Fee funding is an unreliable source of revenue for government programs since revenue changes with cycles unrelated to the programs they fund. The Administrative Office of the Courts (AOC) points out SB91 enforces this policy decision by preventing the use of aggressive tactics to secure payment of penalty assessments for traffic violations.

The New Mexico Municipal League (NMML) asserts that SB91 infringes on local regulatory decision-making and the ability of municipalities to adjust their approaches regarding traffic enforcement to meet local needs. NMML also suggests that the prohibitions outlined in SB91 may have the unintended consequence of municipalities needing to utilize the issuance of bench warrants to collect the fees, which would impact the courts.

The STBTC Amendment to SB91 eliminates the language regarding commissions, thereby addressing NMML’s concerns. NMML had requested clarification regarding the use of “commission” in Section 1(e)(5) on page 4 of the bill, stating, “Is the word ‘commission’ intended to mean a quota or volume of citations? Would a service fee or third-party administrator fee structure based on a percentage of an individual citation be included in the commission definition?”

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB91 relates to House Bill 139 chaptered in 2023 (Laws 2023 Chapter 184) which eliminated the use of penalty assessment fees as revenue.

KG/hj/SL2/sgs/SL2