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## FISCAL IMPACT REPORT

**LAST UPDATED** \_\_\_\_\_  
**ORIGINAL DATE** 2/12/2025

**SPONSOR** Muñoz

**BILL**

**SHORT TITLE** Motor Vehicle & Boat Violation Penalties **NUMBER** Senate Bill 265

**ANALYST** Hanika-Ortiz

### REVENUE\* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
Penalty		\$5,900.0	\$5,900.0	\$5,900.0	\$5,900.0	Recurring	General Fund

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

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

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
MVD	No fiscal impact	\$32.0	No fiscal impact		Nonrecurring	Other state funds

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

Relates to Senate Bill 265 and Senate Bill 225

### Sources of Information

LFC Files

Agency Analysis Received From  
 New Mexico Attorney General (NMAG)  
 Administrative Office of the Courts (AOC)  
 Taxation & Revenue Department (TRD)  
 Department of Public Safety (DPS)

## SUMMARY

### Synopsis of Senate Bill 265

Senate Bill 265 (SB265) amends Section 66-8-1 to 66-8-141 of the Motor Vehicle Code, and Section 66-12-1 to 66-12-23 of the Boat Act, to increase penalties for misdemeanor violations.

Section 1 increases the penalty for a misdemeanor violation of the Motor Vehicle Code from \$300 to between \$100 and \$500.

Section 2 increases the minimum fine for a first conviction for reckless driving from \$25 to \$500 and increases the maximum fine from \$100 to \$750. For a second or subsequent conviction, the minimum fine would increase from \$50 to \$750.

Section 3 punishes a first conviction for careless driving with imprisonment of up to 90 days or fine between \$250 and \$500, or both, and on a second or subsequent conviction, by imprisonment of not more than 6 months or a fine between \$500 and \$750, or both.

Section 4 increases the fines for many misdemeanor violations of the Motor Vehicle Code and Boat Act, from between \$25 and \$300, to between \$100 and \$375. Subsection (E) increases the fine for a second conviction for operation without a permit for excessive size or weight from \$250 to \$325 and increases the fine for a third or subsequent conviction from \$500 to \$575. Subsection (F) increases the fine for a second conviction for “transport of a reducible load...” from \$500 to \$575 and increases the fine for a third or subsequent conviction from \$1,000 to \$1,075.

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**

The Motor Vehicle Division of the Taxation and Revenue Department (TRD) notes that relevant penalty assessment revenue was \$5.9 million in 2024. The penalty increases proposed by SB265 could potentially double that amount.

TRD said the estimated cost to implement these changes is \$32 thousand in operational costs.

## **SIGNIFICANT ISSUES**

The Department of Public Safety (DPS) suggests increasing fines as proposed would encourage compliance with motor vehicle, bicycle and boating laws. The fines for misdemeanor violations under the Motor Vehicle Code and Boat Act were last adjusted in 2018. It is not clear, however, if increasing penalties will result in safer roads and waterways. Revenue from higher fees could support young driver safety programs.

DPS believes the bill enhances law enforcement’s ability to address repeated offenses more effectively. The Administrative Office of the Courts (AOC) cautioned the increased penalties may result in more alleged violators choosing a notice to appear in lieu of a notice of penalty, requiring judge and staff time and courtroom availability.

The Motor Vehicle Division said it cannot estimate what percentage of penalty assessments will ultimately be collected. However, if 100 percent of the penalty assessments issued last year were collected, revenue would increase from \$5.9 million to \$14.8 million. It is not known if the increase in fees will be enough of a deterrent to change behavior and have fewer assessments issued in the future. All fees collected are remitted to the State Treasurer for credit to the general fund.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

This bill relates to Senate Bill 225, which increases penalties for littering and improper use of a travel lane.

AHO/SL2/sgs