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FISCAL IMPACT REPORT

SPONSOR:	Heaton	DATE TYPED:	02/11/00	HB	390
SHORT TITLE:	Tire Recycling Fees			SB	
				ANALYST:	Segura

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	\$ 785.0		Recurring	Tire Recycling
	\$ 0.0		Recurring	Highway Infrs

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 390 increases the add-on fees to passenger car, light truck, commercial and agricultural bus and motorcycle registration fees to be used for implementing a tire recycling program administered by the Environment Department.

Significant Issues

House Bill 390 reinstates a program that because of a reassignment of the revenue to the highway infrastructure fund was effectively abolished.

FISCAL IMPLICATIONS

TRD estimates HB390 could result in \$785.0 in revenue to Tire Recycling Fund. NMHTD is in agreement with the estimated revenue.

ADMINISTRATIVE IMPLICATIONS

Minimal system changes and processing costs.

TECHNICAL ISSUES

TRD notes that the bill does not increase the tire recycling fees in interstate heavy vehicles.

OTHER SUBSTANTIVE ISSUES

According to TRD, prior to 1999, the tire recycling fee was split between a remediation program (tire recycling program) and a rubberized asphalt program assigned to SHTD. 1999 legislation abolished both the tire recycling and rubberized asphalt programs in favor of a highway infrastructure fund.

According to TRD, in 1994, when the tire recycling fee was first imposed, industry leaders testified that the state's tire disposal problem could be remediated in about five years through a combination of recycling and remanufacturing. The approach was to be considered a pilot and demonstration program. Apparently, this bill testifies that there is still a significant problem with abandoned tires or tire disposal, and that over five years of money transferred to recycling and remanufacturing programs was not sufficient to deal with the accumulated problem.

RS/njw:gm