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FISCAL IMPACT REPORT

SPONSOR Larranaga DATE TYPED 2/10/04 HB 553

SHORT TITLE School Dropout Driver's License Suspensions SB _____

ANALYST Reynolds-Forte

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			Significant See Narrative	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
		(\$10.0)	Recurring	State Road Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department

Public Education Department

SUMMARY

Synopsis of Bill

House Bill 553 would modify the Motor Vehicle Code to deny driver's licenses to individuals under 18 years of age who are not enrolled in a public, private or home school or have not obtained a high school diploma or its equivalent, or demonstrated hardship to the Motor Vehicle Division justifying why they are not in school or have not obtained a high school diploma or its equivalent. The proposal also amends Section 66-5-30 NMSA 1978 in a way that would allow MVD the discretion to suspend a license when an individual under the age of 18 drops out of high school.

Current law states that a person between thirteen and eighteen may be issued a restricted license to operate a motorcycle and such licensee “may” carry any other passenger. House Bill 553 changes the “may” to “shall not” carry any other passenger.

FISCAL IMPLICATIONS

The Taxation and Revenue Department believes the impact of administering House Bill 553 could be quite significant. Verification of qualifying status could prove to be a problem. The additional paperwork required to document enrollment status of all student-drivers in the state would be substantial, and could increase wait times for customers in motor vehicle field offices.

The Taxation and Revenue Department believes the fiscal impact of House Bill 553 to the revenues would be minor. To the extent that its provisions could be enforced, individuals dropping out of school would be denied driver’s licenses and instructional permits. Most likely, less than 1,000 permits would be denied statewide, hence, denying the State Road Fund and various local funds a total of less than \$10 thousand annually.

TECHNICAL ISSUES

The Taxation and Revenue Department points out the following technical issues:

1) Page 3, lines 22-25 of the proposal states that MVD can issue a license to a an individual who is under 18 years of age and not enrolled in school if there’s a “showing of hardship to the division justifying why the person is not enrolled in school.”. How MVD would implement this provision is unclear. The measure should specify criteria for determining hardship.

2) Page 8, lines 7-15 of the proposal provides that MVD can suspend a license when a person under the age of 18 drops out of school. The measure provides no mechanism whereby MVD would be notified when these types of individuals drop out of school.

The Public Education Department believes the proposal conflicts with the Compulsory School Attendance Law (Sections 22-12-1 to 22-12-8 NMSA 1978) requiring individuals to attend school until the age of 17 if they are employed or engaged in an alternative form of education. Moreover, SDE points out that by enrolling in a course to study for a GED, a person under the age of 18 could argue that he is enrolled in an alternative form of education, thus avoiding denial of driver’s license under provisions of the proposed measure.

OTHER SUBSTANTIVE ISSUES

The Taxation and Revenue Department believes that provisions of the bill undercut the purpose of the Motor Vehicle Code. Qualifications for licensure are designed to ensure safety of the motoring public. It is unlikely that staying enrolled in high school or obtaining a GED causes people to drive in a safer manner than they otherwise would. Also, the measure would place MVD in the position of performing functions that are best left to truancy officers and courts.

PRF/yr