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FISCAL IMPACT REPORT

SPONSOR Miera DATE TYPED 02/02/05 HB 133

SHORT TITLE Increase Motorcycle Registration Fees SB _____

ANALYST Padilla-Jackson

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|--------|-----------------------------|------|----------------------|--------------------------|
| FY05 | FY06 | FY05 | FY06 | | |
| | \$75.0 | | | Recurring | Motorcycle Training Fund |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

| Estimated Revenue | | Subsequent Years Impact | Recurring or Non-Rec | Fund Affected |
|-------------------|--------|-------------------------|----------------------|--------------------------|
| FY05 | FY06 | | | |
| | \$75.0 | Similar | Recurring | Motorcycle Training Fund |

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

Department of Finance and Administration (DFA)

Department of Transportation (DOT)

SUMMARY

Synopsis of Bill

House Bill 133 increases annual motorcycle registration fees and distributions to the Motorcycle Training Fund. The bill proposes to increase registration fees from \$15.00 to \$18.00 for motorcycles having more than two wheels in contact with the ground or having a sidecar. The bill also proposes to use the additional \$3.00 collected to increase the distribution to the Motorcycle Training Fund by increasing the distribution from \$2.00 to \$5.00 of each motorcycle registration fee collected.

The effective date of the provisions of this bill is July 1, 2005.

Significant Issues

DOT is responsible for administering the New Mexico Motorcycle Safety Program, which provides training courses and public awareness. The level of current funding, which consists of the \$2.00 fee for every motorcycle registration, is reportedly insufficient to meet the department's program responsibilities. Therefore, according to DOT, the road fund has been utilized to supplement the Motorcycle Safety Fund and to help the Department meet requirements for motorcycle training and public awareness.

DFA notes that this motorcycle registration fee increase would be the second and would constitute a 40 percent increase in three years.

PERFORMANCE IMPLICATIONS

According to DOT, the passage of the bill would result in additional resources to increase motorcycle training and public awareness. This would likely have a positive impact on the department's performance goals, which are largely related to reducing crashes and traffic fatalities.

FISCAL IMPLICATIONS

According to TRD, the Motor Vehicle Department processed approximately 25,000 motorcycle registrations in FY04. Assuming a similar rate in FY06, TRD expects the fee increase to generate \$75 thousand to the Motorcycle Training Fund (25,000 x \$3.00 fee increase). Both DFA and DOT provided slightly higher annual fiscal impact estimates, which ranged from \$105 thousand to \$134 thousand.

ADMINISTRATIVE IMPLICATIONS

TRD anticipates the administrative costs to be minimal, including one-time costs for modifying forms, systems, and financial reporting.

OPJ/sb