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FISCAL IMPACT REPORT

SPONSOR Foley DATE TYPED 02/11/2005 HB 847

SHORT TITLE Revise Mileage Reimbursement Rates SB _____

ANALYST Moser

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			Indeterminate		General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Corrections
 Retiree Healthcare Authority
 Energy, Minerals and Natural Resources Department

SUMMARY

Synopsis of Bill

House Bill 847 seeks to amend the Mileage and Per Diem Act by revising the mileage reimbursement allowable for public officers or employees for travel in a privately owned vehicle or airplane. The bill proposes to change the rate of reimbursement to the internal revenue service standard mileage rate for both privately owned vehicles and privately owned airplanes.

Significant Issues

Currently NM legislation prescribes these reimbursement rates at \$.32/mile and \$.88/mile respectively. The IRS rates for 2005 are \$.405/mile and \$1.07/mile respectively. These rates are annually adjusted by the IRS with 2005 being the highest increase (\$.035 cents) recorded over a prior year.

The legislation ties New Mexico's rate of reimbursement directly to the federal rate. This could be problematic in anticipating expenditure levels from year to year and removes from control of the legislature the ability to set these levels.

FISCAL IMPLICATIONS

There is no appropriation contained within this legislation. If passed, agencies would be required to absorb the increased costs out of existing appropriations. The mileage increase of \$.085 cents per mile represents a 26.6% increase.

Numbers are unavailable as to the exact impact of this change to the mileage rates but depending upon access to state vehicles a 26.6% increase could be substantial.

GM/rs:njw