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FISCAL IMPACT REPORT

ORIGINAL DATE 1-28-08

SPONSOR Rehm LAST UPDATED _____ HM 28

SHORT TITLE Governor's Auto Theft Task Force SB _____

ANALYST Aubel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		.01*			Non- Recurring	See narrative.

(Parenthesis () Indicate Expenditure Decreases)

* Minimal.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the District Attorneys (AODA)

Administrative Office of the Courts (AOC)

Public Defender Department (PDD)

SUMMARY

Synopsis of Bill

House Memorial 28 requests the governor to convene a task force to study how an auto theft prevention authority (ATPA) might be used to address and reduce the incidents of auto theft in the state. The task force would include the attorney general or designee, the secretary of Public Safety Department or designee, the director of the Motor Vehicle Division of the Taxation and Revenue Department, representatives of law enforcement agencies, a representative from the Administrative Office of the District Attorneys, and a representative from the automobile insurance industry.

The task force would conduct the following tasks:

1. Review automobile theft prevention authorities in the other states that may serve as models;
2. Evaluate the programs and initiatives of those authorities, including community education, public awareness, statewide vehicle registration, specialized training for law enforcement, coordinated communication among law enforcement and support for investigative units and complex automobile theft prosecutions; and

3. Review cost estimates for the creation and operation of an ATPA in New Mexico.

The task force must submit a report containing findings and recommendations and proposed legislation to the Courts, Corrections and Justice Committee by Nov. 1, 2008.

FISCAL IMPLICATIONS

No appropriation is contained in the bill. However, the participating agencies would incur minimal operating costs related to fulfilling the mandates of the task force, which would be non-recurring. Participating state agencies are funded in whole or part by general fund.

SIGNIFICANT ISSUES

From a high of 12,407 motor vehicle thefts in 1997, Federal Bureau of Investigation (FBI) statistics show New Mexico auto thefts leveling off to an average of about 7,300 annually for the 2000-2003 period. However, annual auto thefts reported for the state increased to almost 8,000 for 2004 and 2005, and jumped to over 9,200 for 2006. Moreover, as a border state, AOC points out that New Mexico is in a prime position for car theft rings to operate.

DPS reports that auto thieves use stolen vehicles for the highly profitable illegal parts market, to sell stolen vehicles to unsuspecting buyers, for numerous fraud schemes, and for exportation of components and vehicles to other states and countries. The departmental also maintains that auto theft is also instrumental for crimes of violence, drug offenses, gang activity and theft.

This memorial requests a task force be convened to study how an auto theft prevention authority (ATPA) might be used to address and reduce the incidents of auto theft in the state. The ATPA serves as a specially created funding mechanism that is used to collect and disperse funds through a grant process for the purpose of reducing vehicle theft and fraud. Other states that have implemented ATPA's and have retained them to reduce auto theft include Colorado, Texas, Arizona, California, Maryland, Florida, Minnesota, Pennsylvania, Rhode Island, New York, Michigan, Illinois and Virginia.

The Administrative office of the Courts states that ATPAs have proven to decrease theft rates in states where they have been implemented. For example, in Texas, which created an authority in 1991, auto theft has plummeted by 57 percent. Colorado, which instituted an ATPA in 2003, reports a 20.3 percent decline. Arizona also has seen a decline.

It is interesting to note that during this time that neighboring states have seen a reduction in auto theft – attributable to instituting ATPAs – New Mexico has seen a dramatic increase. In the publication, *2006 Crime in the United States*, the FBI reports that nationally vehicle theft rates declined by 3.5 percent, and in the western region of the nation, auto thefts were down 7.6 percent. Six states in the region experienced declining rates while three other states had rate increases: Nevada by 0.1 percent, Wyoming by 3.7 percent, and New Mexico by *16.3 percent*.

AOC also points out that decreasing theft rates is not the only benefit to implementing an ATPA. Auto theft alone costs consumers and insurance companies \$8 billion per year nationwide. Decreasing the theft rate in New Mexico will provide direct savings to residents' insurance costs.

In addition, an increase in number of arrests and prosecutions for vehicle crimes have been noted in states with ATPAs. The Administrative Office of District Attorneys (AODA) states that these types of cases can be particularly difficult to solve for law enforcement. In addition, the defendants are often charged with a lower crime of possession of a stolen vehicle because it is more difficult to prove beyond a reasonable doubt that the individual is in fact the one that stole the vehicle.

TECHNICAL ISSUES

HM 28 lists a representative from Administrative Office of the District Attorneys (AODA) as a member of the task force. However, AODA reports that it is a service organization providing administrative and computer support to the 14 District Attorney Offices and the New Mexico District Attorney's Association (NMDAA), which is an organization made up of the fourteen elected District Attorneys in New Mexico. AODA suggests if the intent of the memorial is to have representation of District Attorneys on the task force, a better representative for the New Mexico prosecutors would be from the NMDAA. The agency notes that typically a task force will name the President of the New Mexico District Attorney's Association or his designee as a representative.

OTHER SUBSTANTIVE ISSUES

The AOC reports that automobile theft prevention authorities were initially created in the early and mid-1990s, after Congress enacted the Motor Vehicle Theft Prevention Act and the Anti-Car Theft Improvement Act. These laws established programs and funding in the Department of Justice for eligible states and law enforcement agencies for the purpose of deterring trafficking in stolen vehicles by strengthening law enforcement, combating automobile title fraud, preventing "chop shop"-related thefts, and inspecting exports for stolen vehicles. Where implemented, the programs have resulted in decreased motor vehicle thefts, improved recovery rates for stolen vehicles, increased ability to identify cloned vehicles and improved investigative abilities. Activities are primarily carried out locally by law enforcement agencies through grants from the state authority.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

All agencies estimate high or increasing auto theft-related crime in New Mexico and associated costs.

AMENDMENTS

Replace a representative from the Administrative Office of the District Attorneys (AODA) as a member of the task force with the President of the New Mexico District Attorney's Association (NMDAA) or designee.

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