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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/09  
 SPONSOR Miera LAST UPDATED 02/19/09 HB 294/aHTPWC  
 SHORT TITLE Medium-Speed Vehicles On Streets & Highways SB \_\_\_\_\_  
 ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	None		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

Public Defender Department (PDD)

Department of Transportation (DOT)

### SUMMARY

#### Synopsis of HTPWC Amendment

The House Transportation and Public Works Committee amendment adds “hard sided” as a requirement for the passenger compartment in the list of list of equipment required in the definition of medium speed vehicle.

#### Synopsis of Original Bill

House Bill 294 appropriates establishes equipment and operation regulations for electric medium speed vehicles. The bill defines a medium speed vehicle as a four-wheeled, self-propelled electric vehicle that can attain a speed of at least 30 miles per hour but not more than 40 miles per hour. The vehicle must meet federal standards for medium speed vehicles, such as those governing equipment, weight and road test performance. The bill also requires the vehicle to have a roll cage, substantially crush resistant body design, a three-point seat belt system, safety auto glass and an engine in the front of the vehicle.

The bill permits the drivers to operate medium speed vehicles on roads where the speed limit is no more that 45 miles per hour, but they may cross intersections where the speed limit exceeds 45 miles per hour. The medium speed vehicles must have all the lights and safety equipment

required for normal vehicles. The electric vehicles, however, are exempt from regulations requiring slow moving vehicle lights, emissions inspections and can be smaller than regular vehicles.

## **FISCAL IMPLICATIONS**

There could be minimal fiscal impact associated with the rule making process. The TRD notes that prior to licensing dealers to sell medium speed vehicles, and in the absence of federal standards for such vehicles, MVD would have to establish by rule what standards and procedures would apply in determining that such vehicles meet the standards established by this bill and are suitable for on-road use.

## **SIGNIFICANT ISSUES**

TRD reports that:

Medium-speed vehicles (MSV) have not been accorded federal certification and there are no federal standards that apply specifically to them. The bill generally defines a medium-speed vehicle as one meeting low-speed vehicle standards, but able to achieve speeds 5 to 15 mph greater, includes seatbelts, a standard windshield, the engine and batteries mounted in the front of the vehicle, and has a roll cage and substantially crush-resistant body.

The federal regulation (49 C.F.R. 571.500) referenced in the bill is specific to low-speed vehicles. “Low-speed vehicle” is defined in 49 C.F.R. 571.3(b) as “a 4-wheeled motor vehicle, other than a truck, whose speed attainable in 1.6 km (1 mile) is more than 32 kilometers per hour (20 miles per hour) and not more than 40 kilometers per hour (25 miles per hour) on a paved level surface.”

Section 66-3-1103 NMSA 1978 of the Motor Vehicle Code currently authorizes low-speed vehicles as “neighborhood electric cars,” defined in Section 66-1-4.12(A) NMSA 1978 as “a four-wheeled electric motor vehicle that has a maximum speed of more than twenty miles per hour but less than twenty-five miles per hour and complies with the federal requirements specified in 49 CFR 571.500.

There are currently no federal safety standards for MSV’s. Most recently, on September 28, 2008, the Federal Department of Transportation, National Highway Traffic Safety Administration (NHTSA), denied petitions for rulemaking submitted by three manufacturers requesting that NHTSA promulgate safety standards for the manufacture of MSV’s defined as vehicles that have a maximum speed capacity of 35 mph. The NHTSA denial for creation of “*a new class of motor vehicles known as medium speed vehicles*” and establishment of federal standards for such vehicles, cited “*the introduction of such a class of motor vehicles without the full complement of safety features required for other light vehicles such as passenger cars would result in significantly greater risk of deaths and serious injuries.*”

**ADMINISTRATIVE IMPLICATIONS**

The TRD states that The Motor Vehicle Division (MVD) relies on federal certification to determine whether a vehicle is suitable for registration and titling as an on-road vehicle. As it appears that federal certification will not be available for medium-speed vehicles, the division would need some alternative means of determining what medium speed vehicles are suitable for sale by licensed dealers and for titling and registration by MVD.

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