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FISCAL IMPACT REPORT

SPONSOR McSorley ORIGINAL DATE 3/06/17
 LAST UPDATED 3/10/17 HB _____

SHORT TITLE Motor Carrier Act Changes SB 480/aSCORC

ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		(\$5.0)	(\$5.0)	(\$10.0)	Recurring	Motor Transportation Fee Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Senate Corporations and Transportation Committee Amendment

The Senate Corporations and Transportation Committee amendment on page 39, lines 21 and 22, strikes, “or its driver.” This would allow a municipality or local entity to impose a tax or license for a driver but not the transportation service.

Synopsis of Bill

HB 430 amends the Motor Carrier Act, NMSA 1978, § 65-2A-1 et seq., in several respects.

HB 430 – Section 1

NMSA 1978, § 65-2A-3:

“M. Continuous and adequate service” – Requires the New Mexico Public Regulation Commission (“PRC”) to also consider the effect of “transportation network companies” on full-service carriers (would only effect scheduled shuttle and municipal taxis) when deciding whether service provided by the full-service carrier is “reasonably adequate”.

“N. Contract driver” – Allows for “leased employee driver” as a type of person allowed to act as

a contract driver.

“KK. Non-emergency medical transport service” – Adds a new definition for non-emergency transport service consistent with the definition provided under the Motor Carrier Rules promulgated by the Commission in order to more easily move the requirement that non-emergency transport service obtain a warrant instead of a certificate.

“DDD. Small passenger vehicle” – Adds a new definition for small passenger vehicle (not an ambulance, with a carrying capacity of 8 persons or less, including the driver, etc.) consistent with the definition provided under the Motor Carrier Rules promulgated by the Commission in order to treat, later on in substantive parts of the Motor Carrier Act from a vehicle and vehicle and driver safety standpoint, “small passenger vehicles” and “transportation network companies” the same.

“EEE. Specialized passenger service” – Places “limousine service” and “tour and sightseeing service” into this category as was done in the Motor Carrier Act transition statute NMSA 1978, § 65-2A-41 as a matter of clarity and also restricts specialized types of service to the public from the category.

“GGG. Tariffed service” - Adds non-emergency transport services that regularly charge passengers a fare to the category of requiring a tariff approved by the PRC.

“III. Taxicab service” – Ties the definition of taxicab services to the provision of transportation service in small passenger vehicles. Allows for, at the passenger’s option, the use of a predetermined fare for the cost of a trip to a destination, and also allows for “variable pricing as allowed in a tariff” as Transportation Network Companies are allowed.

“III (1) Municipal taxicab service” – lessens the requirement that a municipal taxicab service provide service to the public 24 hours every day to at least 18 hours every day.

“RRR. “Warranted service” – Adds “non-emergency medical transport service” to the list of intrastate transportation services that are required to obtain a warrant. Currently, a non-emergency medical transport services is required to obtain a either certificate or permit.

HB 430 – Section 2

NMSA 1978, 65-2A-4 B(4): Adds a phrase that allows, but does not require, the regulation of rates for the provision of medical services or treatment on scene by an ambulance service when the ambulance service ultimately does not provide transportation to the person treated.

HB 430 – Section 3

NMSA 1978, 65-2A-6: Eliminates a seeming conflict between the Notice requirements of NMSA 1978, 65-2A-6 (requires only electronic publication, and allows for newspaper publication) and NMSA 1978, § 65-2A-15 (requires newspaper publication).

HB 430 – Section 4

NMSA 1978, § 65-2A-12 A: Adds “non-emergency medical transport service” to the list of warranted services.

NMSA 1978, § 65-2A-12 B: Adds the requirement of a valid letter of intent from the New Mexico Human Services Department for the issuance of a warrant to non-emergency medical transport services.

NMSA 1978, § 65-2A-12 C: Allows for non-emergency medical transport services to operate under a tariff if it charges passengers or under a contract with an authorized Medicaid provider if it charges the Medicaid provider.

NMSA 1978, § 65-2A-12 D: Defines what type of medical or therapeutic patient a non-emergency medical transport service may provide service to. (This section is consistent with current Motor Carrier rules of the PRC which draw a line between what an ambulance and a non-emergency medical transport service may do, 18.3.14.20 NMAC, and what a non-emergency medical transport service and other motor carrier may do, *see, e.g.*, 18.3.2.9 E NMAC *and compare to* 18.3.2.9 A through I NMAC.

HB 430 – Section 5

NMSA 1978, § 65-2A-18: Ties the minimum level of public liability insurance coverage for passenger services providing service in small passenger vehicles to at least the amount required for transportation network companies, which is currently \$1,000,000.

HB 430 – Section 6

NMSA 1978, § 65-2A-19: Requires vehicle and driver safety standards for vehicles and drivers providing service in small passenger vehicles to be the same standards required for transportation network companies as the PRC by rule recently adopted. *See*, 18.3.4.10 A and B, NMAC, 18.3.4.12 B NMAC.

HB 430 – Section 7

NMSA 1978, § 65-2A-20: Allows full-service carriers, scheduled shuttles and municipal cabs, to use file-and-use tariff procedure and changes the 20 day file-and-use tariff period to 10 days unless the Transportation Division of the PRC disapproves. If this change were made, only ambulance services and nonconsensual towing services would still be required to have tariff changes brought before the PRC for consideration and approval in a hearing-type format prior to the change being implemented. Makes some streamlining changes considering what information is required for the filing of proposed tariffs. Specifically allows for the current Transportation Division practice and procedure requiring pre-filing review of tariff changes filed by ambulance services and towing services performing non-consensual tows.

HB 430 – Section 8

NMSA 1978, § 65-2A-24: Clarifies and simplifies that in order to place a leased vehicle into service, a motor carrier must comply with and shall remain responsible for compliance with all applicable laws and all safety and financial responsibility requirements under the Motor Carrier Act and PRC Motor Carrier Rules.

HB 430 – Section 9

NMSA 1978, § 65-2A-35: States that when a motion to reopen, reconsider, or rehear a final order or determination of the PRC is timely filed, the time for appeal to the New Mexico Supreme Court shall be extended until thirty days after the PRC’s disposition of the motion.

HB 430 – Section 10

NMSA 1978, §65-2A-39: In the “Effects on Municipal Powers” section of the current Motor Carrier Act, prohibits a municipality from imposing a tax on or requiring a license for a transportation service or its drivers for the delivery of passenger transportation service, except for generally applicable business licenses or taxes. Also, adds a provision that allows airports with more than one million annual enplanements to charge transportation passenger lane access, parking, booth rental or similar set fees or from establishing other requirements to operate at that airport.

HB 430 – Section 11

TRANSITION SECTION: Converts certificates and permits issued to non-emergency medical transport services issued prior July 1, 2017 into warrants and on and after that date an application for such authority shall become an application for a warrant to provide that transportation service.

HB 430 – Section 12

If passed and signed into law, the effective date of this statute is July 1, 2017.

FISCAL IMPLICATIONS

There is anticipated to be a minimal fiscal impact to this bill mostly deriving from the decreased one-time filing fee associated with requiring non-emergency medical transport services to apply for a certificate or permit (\$250) instead of a warrant (\$25). The PRC calculates that on average it receives approximately 25 applications for non-emergency medical transport every year. The decrease in revenue stream would be approximately \$5,000 per year given an anticipated increase in warrant applications should non-emergency medical transports convert from permits and certificates into warrants.

SIGNIFICANT ISSUES

The Public Regulation Commission provided the following significant issues:

SB 480 levels the playing field statutorily between motor carriers using Small Passenger Vehicles and Transportation Network Companies in terms of vehicle and driver safety, financial responsibility, the use of predetermined fares at the option of the passenger, the allowance of notice leasing of vehicles by all motor carriers (as opposed to file, and wait for PRC lease approval leasing). The PRC adopted a number of these leveling changes this fall in a significant rulemaking.

SB 480 converts non-emergency medical transport services from certificate and permit holders into warrant holders both for existing certificate and permit holders and for applicants on and after July 1, 2017. The requirements applicable to a warrant application are simpler and faster than that of requirements applicable to certificate and permit applications.

SB 480 clarifies PRC authority over non-carriage treatment rates in statewide ambulance tariffs, allows the PRC to retain jurisdiction on motions for rehearing regardless of appeals, confirms the requirement of electronic-only notification for Motor Carrier Act proceedings, and clarifies other definitions and streamlines procedures.

JM/sb