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FISCAL IMPACT REPORT

SPONSOR Campos ORIGINAL DATE 02/04/21
LAST UPDATED _____ HB _____
SHORT TITLE Transfer DOT Real Property SJR 13
ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Joint Resolution 13 (SJR13) transfers land and port of entry facilities from the General Services Department and the Department of Public Safety to the Department of Transportation.

FISCAL IMPLICATIONS

Because the DOT currently operates port facilities and has undertaken responsibility for their maintenance, the transfer of this property to DOT will not have a fiscal impact on the department. Similarly, because neither the Taxation and Revenue Department (TRD) nor DPS receive revenue from port operations, neither agency will experience a revenue reduction as a result of the transfer.

SIGNIFICANT ISSUES

Funding for operation of the 11 active port of entry facilities statewide comes from the weight distance permit identification fund. In FY17, DOT took over operations of port of entry facilities and a large share of this revenue was directed to DOT to pay for port operations. The FY22 budget request of the department includes \$6.1 million from this source and an additional \$5.9 million in fund balance to be transferred to the DOT to pay costs of port facilities, including facility maintenance. Transferring the property and facilities to the control of DOT will be the last step in a years-long process of consolidating port operations under DOT.

DOT reports that, pursuant to a memorandum of agreement executed between DPS, TRD and DOT

in 2016, DOT is responsible for:

- (1) hiring temporary workers, and training and scheduling their work at the POEs with respect to issuing certain permits;
- (2) purchasing equipment necessary to handle issuance of certain permits;
- (3) upon transfer of ownership of POEs, maintaining the facilities of the POEs;
- (4) coordinating, planning and implementing agreed upon capital improvements to the POEs; and
- (5) upon transfer of the ownership of POEs, continuing to accommodate DPS motor carrier inspection and enforcement operations, including necessary office and workspace at the POEs, without charging rent or any other associated fees or charges.

PERFORMANCE IMPLICATIONS

According to DOT:

DOT has identified a consistent yearly increase in permit sales and collections since taking on the administrative responsibilities at the POEs.

Annual Summary Report Jan- Dec	2015	2016	2017	2018	2019	2020
Number of Permits Sold	214,459	266,157	278,903	308,105	243,676	308,665
Revenue Collected	\$ 9,653,100.28	\$ 11,453,593.54	\$12,444,457.31	\$14,567,324.90	\$16,073,674.16	\$14,712,306.74
Delinquent WDT Collected @ POE	\$ 4,668,893.02	\$ 5,851,869.88	\$ 5,916,215.68	\$ 6,523,002.81	\$7,001,248.03	\$6,452,921.58

Revenue received from the weight distance tax identification permit fund is utilized by the NMDOT for capital improvements and maintenance at all POEs.

CJ/sb