

BILL ANALYSIS AND FISCAL IMPACT REPORT
Taxation and Revenue Department

January 31, 2025

Bill: HB-148

Sponsor: Representative Dayan Hochman-Vigil

Short Title: Autonomous Vehicle Act

Description: This bill enacts the Autonomous Vehicle Act within the Motor Vehicle Code. This new Act provides that an autonomous vehicle (AV) shall not be operated on a public highway in New Mexico unless a human operator is physically present behind the steering wheel of the vehicle, the human operator has the ability at all times to take immediate control of the vehicle and meets other requirements. The act would require the Motor Vehicle Division (MVD) to establish a new AV endorsement for operating commercial AVs and develop training criteria for obtaining the AV endorsement.

The bill also includes provisions concerning when an AV shall not be operated in autonomous mode, including within a school zone or a construction zone and within any area designated for parking at a public park, playground, school, library, swimming facility or other sports facility. The bill also provides certification requirements and financial responsibility requirements definitions related to AVs added, including “autonomous vehicle incident” and adds a definition of "human operator" in relation to autonomous vehicles.

Effective Date: Not specified; 90 days following adjournment (June 20, 2025).

Taxation and Revenue Department Analyst: Htet Gonzales and Sean Bulian – Motor Vehicle Division

Estimated Revenue Impact*					R or NR**	Fund(s) Affected
FY2025	FY2026	FY2027	FY2028	FY2029		

* In thousands of dollars. Parentheses () indicate a revenue loss. ** Recurring (R) or Non-Recurring (NR).

Methodology for Estimated Revenue Impact: None.

Policy Issues: This bill creates new definitions in Section 66-1-4.1 NMSA 1978 relating to the safe operation of an AV. The operator of an AV shall have a proper driver’s license classification and all necessary endorsements, including, for a commercial AV, and a license endorsement authorizing operation of such vehicle.

This bill proposes a state-level commercial AV endorsement. However, this measure exceeds the authority of the Federal Motor Carrier Safety Administration (FMCSA). Under FMCSA guidelines (49 CFR 383.93 and 383.153), endorsements and testing requirements are federally regulated, and introducing a separate state-level endorsement would not provide any regulatory or operational benefit. If enacted, this endorsement would not be recognized at the federal level, potentially restricting out-of-state commercial driver's license (CDL) holders from operating commercial AVs in New Mexico, thereby hindering interstate commerce. Federal law classifies commercial AVs as standard Class A, B, or C vehicles when stationary, meaning drivers with the appropriate class endorsement can operate them without an additional AV endorsement under FMCSA rules. This state-specific endorsement would not provide any practical benefit and could create regulatory misalignment. Additionally, MVD would be responsible for defining and establishing the criteria for acceptable training documentation provided by the AV manufacturer or its designated representatives as a requirement for issuing the AV endorsement.

Technical Issues: As described below, the effective date of June 20, 2025 is not feasible. Tax & Rev recommends an effective date of January 1, 2026.

As stated above, the State commercial AV endorsement created in this bill may conflict with federal guidelines established by FMCSA.

This bill amends Section 66-5-208 NMSA 1978, Evidence of Financial Responsibility - Amounts and Conditions. It adds new minimum insurance requirements for AVs and commercial AVs. Page 24, line 6 addresses insurance for Commercial Motor Vehicles, which should instead fall under Section 65-7-8 NMSA 1978 (Financial Responsibility of Transportation Network Companies) in Chapter 65 (Motor Carriers). It does not belong in Section 66-5-208 NMSA 1978 and should be correctly categorized.

Administrative & Compliance Impact: Implementation of this bill will have a high impact on Tax & Rev’s Information Technology Division (ITD). The estimated time to develop, test and implement the changes is approximately 1,760 hours or 11 months and approximately \$522,086 (\$404,800 contractual resources including gross receipts tax, and staff workload costs of \$117,286).

This bill requires the following changes to MVD’s system of record, Tapestry:

- Application and configuration changes to add a new endorsement type to commercial licenses. This includes updating Tapestry internal credential issuance application, the e-services renewal application, and other associated applications, such as the pre-application.
- Application and configuration changes to add a new endorsement letter.
- Application and configuration changes to enable tracking of financial responsibility for Autonomous vehicles.
- Changes to add a new exam type to capture AV manufacturer testing for commercial drivers.
- Updates to the existing interface to send the endorsement type to IDEMIA for printing.
- Updates to the existing interface to send the new endorsement type to NMI.
- Updates to the existing interfaces to send the endorsement type to Mobile Driver’s License (mDL).

The Motor Vehicle Division (MVD) estimates that it will cost \$100,000 to implement the new commercial classification endorsement AV, which authorizes driving an autonomous commercial motor vehicle.

Considering the effort, the effective due date of June 20, 2025 will not be feasible. A more feasible effective date would be January 1, 2026.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2025	FY2026	FY2027	3 Year Total Cost		
	\$404.8			NR	MVD Suspense Fund – Contractual Resources
	\$117.3			NR	MVD Suspense Fund – Staff Workload Cost
	\$100.0			NR	MVD Suspense Fund – AV Endorsement Cost

* In thousands of dollars. Parentheses () indicate a cost saving. ** Recurring (R) or Non-Recurring (NR).