

BILL ANALYSIS AND FISCAL IMPACT REPORT
Taxation and Revenue Department

February 10, 2025

Bill: SB-265 - Rev **Sponsor:** Senator George K. Muñoz

Short Title: Motor Vehicle & Boat Act Violation Penalties

Description: This bill amends the Motor Vehicle Code to increase penalty assessments for certain misdemeanor violations. Sections 66-8-7 NMSA 1978, Penalty for Misdemeanor removes the maximum of \$100 and replaces it with a minimum of \$100 and maximum of \$500. Section 66-8-113 NMSA 1978, Reckless Driving provides for a minimum of \$100 instead of \$25 and a maximum of \$500 instead of \$100. Section 66-8-114 NMSA 1978, Careless Driving provides for a minimum of \$250 and a maximum of \$500 for first convictions and a minimum of \$500 and maximum of \$750 for second or subsequent convictions.

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		
Unknown positive					R	General Fund

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

Methodology for Estimated Revenue Impact: The Motor Vehicle Division (MVD) cannot estimate what percentage of penalty assessments will be ultimately collected. If 100 percent of the 2024 penalty assessments issued were collected, the total would increase from \$5.9 million to \$14.8 million. The increase in penalty fees may be a deterrent causing fewer assessments to be issued in the future. Fees collected will be remitted to the state treasurer for credit to the general fund.

Policy Issues: Penalty Assessments have not been adjusted for inflation since 2018. By increasing the penalties for misdemeanors, reckless driving, and careless driving, this bill may deter these motor vehicle code violations and result in safer roads in New Mexico.

Technical Issues: None.

Other Issues: None.

Administrative & Compliance Impact: Implementation of this bill will have a moderate impact on Tax and Rev’s Information Technology Division (ITD). The estimated time to develop, test, and implement the changes is approximately 480 hours or 3 months for an estimated soft cost of \$31,987 in staff workload costs.

This bill requires an increase in motor vehicle & boat penalty assessment amounts for felony charges, reckless driving, careless driving, and various other violations.

MVD and Tax & Rev’s Financial Distribution Bureau (FDB) will verify Tapestry system changes by conducting selected tests of data, functionality, and reporting, including performing a mock distribution before authorizing Tapestry to implement these changes.

Considering the penalty assessment changes and financial distributions, July 1, 2025, would be a more feasible effective date.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2025	FY2026	FY2027	3 Year Total Cost		
	\$32			NR	MVD Suspense Fund – Staff Workload Cost

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

Related Bills: