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FISCAL IMPACT REPORT

SPONSOR <u>Castellano</u>	LAST UPDATED _____
	ORIGINAL DATE <u>1/30/24</u>
	BILL
SHORT TITLE <u>Off-Highway Motor Vehicle Definitions</u>	NUMBER <u>House Bill 138</u>
	ANALYST <u>Graeser</u>

REVENUE* (dollars in thousands)

Type	FY24	FY25	FY26	FY27	FY28	Recurring or Nonrecurring	Fund Affected
TRD/MVD		Positive < \$100.0	Positive < \$100.0	Positive < \$100.0	Positive < \$100.0	Recurring	Trail Safety Fund
TRD/MVD		Possible negative < \$100.0	Recurring	66-6-3 Distributions			

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

Duplicates House Bill 191

Sources of Information

LFC Files

Agency Analysis Received From
Department of Game and Fish (DGF)

Agency Analysis was Solicited but Not Received From
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of House Bill 138

House Bill 138 (HB138) amends Section 66-3-1001.1 NMSA 1978 to update the definition of off-highway vehicles (OHV). This bill amends tire type and vehicle weights and removes references to engine displacement. These changes will allow more modern machines to fall under the OHV definition than current statute allows.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

Department of Game and Fish comments:

This bill would expand the current OHV definition to include more modern and

heavier machines. These machines currently exist on the market, and can be legally purchased, but owners cannot currently register them as OHVs due to the restricted definition of an OHV in statute. Expanding the definition of OHVs to include more modern machines will result in more OHV registrations and thus increased revenue for the trail safety fund (108400).

While we anticipate this bill will increase registration revenue, it is unknown how many of these machines will be registered each year.

Current OHV registration fees for residents are \$53 for the initial year and \$50 for registration renewals every two years thereafter. We can assume an increase in revenue of \$5,300 for every 100 new initial resident registrations and an increase in revenue of \$5,000 for every 100 resident registration renewals.

Current OHV registration fees for nonresidents are \$48 for a two-year permit and \$18 for a 90-day permit. We can assume an increase in revenue of \$4,800 for every 100 nonresident two-year registration permits sold and an increase in revenue of \$1,800 for every 100 nonresident 90-day registration permits sold.

LFC notes that the changes may result in larger OHVs that are registered pursuant to the regular vehicle registration provision may reregister as OHVs pursuant to these provisions.

SIGNIFICANT ISSUES

The two significant changes are:

- Increases the unladen dry weight from no greater than 1,750 pounds to 3,500 pounds; and
- Deletes the maximum engine displacement of less than one thousand cubic centimeters.

A distinguishing characteristic defining a “recreational off-highway vehicle” is that it runs on four or more “non-highway” tires. Non-highway tires are not further defined in statute.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicate of HB138; duplicate of 2023’s HB320.

LG/rl/ne/ss