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FISCAL IMPACT REPORT

ORIGINAL DATE 02/25/09
 LAST UPDATED 03/10/09 HB 567/aHTPWC

SPONSOR Egolf

SHORT TITLE Farm and Ranch Community License Plates SB _____

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	Approximately \$2.0	Recurring	MVD operating Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	\$2.0	\$2.0	Recurring	MVD operating fund
	\$5.0	\$5.0	Recurring	Farm and Ranch Heritage Museum

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Minor		Minor	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

Department of Cultural Affairs (DCA)

SUMMARY

Synopsis of HTPWC Amendment

House Transportation and Public Works Committee (HTPWC) amendment to House Bill 567 adds a bill effective date of July 1, 2010.

Synopsis of Original Bill

House Bill 567 proposes to add a new section to the Motor Vehicle Code authorizing the Motor Vehicle Division (MVD) to issue a special registration plate with appropriate logo commemorating New Mexico’s farm and ranch community.

The annual fee for the plate would be \$35 in addition to the regular motor vehicle registration fee. Revenue from sale of the special plate would be distributed as follows: \$10 retained by MVD for the cost of making and issuing the plate, and \$25 to the Farm and Ranch Heritage Museum for educational programs.

FISCAL IMPLICATIONS

According to the Taxation and Revenue Department (TRD), the estimated revenue calculation is as follows:

- 200 plates per year x \$10 per plate = \$2.0 MVD Fees
- 200 plates per year x \$25 per plate = \$5.0 Farm & Ranch Heritage Museum Education Program

Continuing Appropriations language

This bill provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions, as earmarking reduces the ability of the legislature to establish spending priorities.

The bill allows MVD to keep some of the monies collected to defray the costs of the plate but does not include language making the monies non-reverting.

According to the Department of Cultural Affairs (DCA), any cost associated with the plate to the Farm and Ranch Heritage Museum should be minimal; however, there may be a significant benefit to the museum. For illustrative purposes, the sale of 50 commemorative plates would allow the museum to provide bus rentals for school tours that would bring 600 students into the museum.

PERFORMANCE IMPLICATIONS

The DCA and its Farm and Ranch Heritage Museum have as a primary goal the provision of quality educational programs, education materials, and statewide outreach to supplement school curricula and to provide opportunities for lifelong learning.

ADMINISTRATIVE IMPLICATIONS

According to TRD, although this bill will have a low IT impact, MVD has an issue with adding additional revenue codes to the IT system. Implementation would involve changes to the following programs.

- MVD 2.0 Vehicle Application (60 Hrs)
- MVD Web Registration Application (40 Hrs)
- Distribution Application (MVR0) (60 Hrs)

- MVD Website (4 Hrs)
- User Acceptance Testing (80 Hrs)

Total Hours: 244

TECHNICAL ISSUES

This bill provides for a continuing appropriation to MVD from fees collected from the commemorative plate. The LFC has concerns with including continuing appropriation language in statutory provisions, as earmarking reduces the ability of the legislature to establish spending priorities.

OTHER SUBSTANTIVE ISSUES

Last year, the MVD issued 25,000 special plates in 22 different types. Most common were military (9,269) and collegiate (UNM, NMSU, NMT, 8,957), but several of the plates have been issued in much smaller quantities.

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