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FISCAL IMPACT REPORT

ORIGINAL DATE 02/25/09
 LAST UPDATED 03/05/09 HB 671/aHTRC

SPONSOR Taylor

SHORT TITLE Commemorative Scouting License Plate SB _____

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$3.0	Recurring	MVD Operating Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	\$3.0	\$3.0	Recurring	MVD Operating Fund

(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		Minimal			Nonrecurring	General Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)
 Department of Finance and Administration (DFA)
 Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of HTRC Amendment

House Taxation and Revenue Committee (HTRC) amendment to HB671 reduces the annual fee from \$35 to \$10 for the special plate. The \$10 would be retained by MVD to cover the cost of making and issuing the plate

Synopsis of Original Bill

House Bill 671 proposes to add a new section to the Motor Vehicle Code authorizing the Motor Vehicle Division (MVD) to issue a special registration license plate with appropriate logo commemorating the centennial of the boy scouts of America.

The annual fee for the plate would be \$35 in addition to the regular motor vehicle registration fee. Revenue from sale of the special plates would be distributed as follows: \$10 retained by MVD for the cost of making and issuing the plate, and \$25 to the Great Southwest Council of the Boy Scouts of America.

FISCAL IMPLICATIONS

Following the HTRC amendment and according to the Taxation and Revenue Department (TRD), the estimated revenue calculation:

Distribution, as follows:

300 Scout Plates per year x \$10.00 = \$3.0 MVD Fees

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.

SIGNIFICANT ISSUES

MVD believes it is imperative this bill have an effective date no earlier than July 1, 2010. No new special license plates that include a fee can be issued by MVD until additional revenue codes are available in the computer system. All current revenue codes are in use. No additional revenue codes will be available until MVD implements a new Point of Sale system that is estimated to be in place by July 1, 2010.

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 x \$50 = \$12,200

TECHNICAL ISSUES

As noted in the significant issues section, MVD may not be able to program a new revenue code into the current IT system, or until July 1, 2010.

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.

The bill should include a reference that the plate is issued pursuant to Section 66-3-424 NMSA 1978. That statute controls issuance of special plates with logos, and specifies that when plate revenues are directed to a particular group or fund, the recipient shall be “a governmental entity or a fund authorized for the use of a governmental entity.” Distribution to the Boy Scouts, as provided by this bill, would appear to violate the anti-donation clause of the New Mexico Constitution.

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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