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FISCAL IMPACT REPORT

ORIGINAL DATE 02/18/09
 LAST UPDATED 03/19/09 **HB** _____

SPONSOR Garcia, MJ

SHORT TITLE Pet License Plate Fees to Animal Care Fund **SB** 185/aSCORC/aHTPWC

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	Variable	Recurring	Animal Care and Facility Fund
	(Variable)	Recurring	State Road Fund
	(Variable)	Recurring	Counties & Municipalities

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	\$1.6	\$1.6	Recurring	Animal Care and Facility Fund
	(\$1.2)	(\$1.2)	Recurring	State Road Fund
	(\$0.4)	(\$0.4)	Recurring	Counties & Municipalities

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)
 State Treasurer

SUMMARY

Synopsis of HTPWC Amendment

The House Transportation and Public Works Committee (HTPWC) amendment to SB 185 as amended adds a new section providing a July 1, 2009 effective date for the provisions of the Act

Synopsis of SCORC Amendment

Senate Corporations and Transportation Committee (SCORC) amends Section 77-1B-4 NMSA 1978 to specify that the amount of money in the Animal Care and Facility Fund from special registration plates shall be distributed to the same county that issued the plate.

Synopsis of Original Bill

Senate Bill 185 amends Section 66-3-424.3 NMSA 1978 to change the distribution of the pet care special registration vehicle license plate (the “Spay and Neuter” plate) fee from the Motor Vehicle Suspense Fund to the Animal Care and Facility Fund. The bill would shift \$25 of each plate sold.

FISCAL IMPLICATIONS

According to the Taxation and Revenue Department (TRD), MVD records indicate 65 “Spay and Neuter” plates are projected to be issued in FY09. The bill diverts \$25 of the additional annual fee to the Animal Care and Facility Fund. Currently that revenue is distributed to the State Road Fund and local governments pursuant to Section 66-6-23.1 NMSA 1978. The revenue impact illustrates the current number of plates issued; however, additional requests for this relatively new special plate would be expected in subsequent years.

MVD estimates the following revenue distribution impact between funds:

65 Special Pet Care Plates sold per year @ \$25.00 per plate = \$1.6 Animal Care & Facility Fund

Revenue loss to formulaic distribution:

- $\$1.6 \times 75.65\% = \1.2 State Road Fund
- $\$1.6 \times 25.35\% = \0.4 Local Government

ADMINISTRATIVE IMPLICATIONS

There is no significant administrative impact to TRD.

TECHNICAL ISSUES

Changes to the distribution of tax and fee receipts cannot become effective in the middle of a month. The bill must have an effective date provision specifying the first day of a month – July 1, 2009.

OTHER SUBSTANTIVE ISSUES

The Animal Care and Facility Fund was established by the Animal Sheltering Services Act (Sec. 77-1B-1). Money in the fund is used for expenditures authorized pursuant to the act, including development and implementation of comprehensive dog and cat spay and neuter plans and community outreach plans in support of and in conjunction with animal shelters and euthanasia agencies.