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FISCAL IMPACT REPORT

SPONSOR: Miera DATE TYPED: 03/13/01 HB 673/aHCPAC
 SHORT TITLE: Special Motorcycle Plates for Veterans SB _____
 ANALYST: Gonzales

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			Minimal	Recurring	Armed Forces Veterans License Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	See Narrative		Recurring	Armed Forces Veterans License Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to HB672, HB822, HB909, SB265, SB740 and SB771

SOURCES OF INFORMATION

LFC Files
 Taxation and Revenue Department (TRD)
 Veterans Service Commission

SUMMARY

Synopsis of HCPAC Amendment

The House Consumer and Public Affairs Committee amendment reduces the fee from \$15.00 to \$7.00 for the issuance of a special motorcycle registration plate. With this fee reduction from the original fee proposed, the entire revenue collected from the \$7.00 per plate would be retained by and appropriated to the Taxation and Revenue Department for the manufacture and issuance of the special motorcycle registration plates for armed forces veterans. Previously, \$8.00 of the original proposed fee of \$15.00 would have been transferred to a newly created fund, established in the bill,

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to expand services to rural areas of the state, including Native American communities and senior citizen centers.

Synopsis of Original Bill

House Bill 673 enacts a new section to the Motor Vehicle Code to allow the Motor Vehicle Division of the Taxation and Revenue Department to issue a distinctive motorcycle registration plate indicating that the recipient is a veteran of the armed forces of the United States or is retired from the national guard or military reserves. An additional \$15.00 over the regular registration fee would be charged for each plate. The bill requires an owner to apply and pay a new fee each year a special motorcycle registration plate is obtained. Additionally, the bill provides that TRD furnish a veteran-designation decals with the special plate upon request for a reasonable charge set by the secretary of TRD. Furthermore, the bill creates a new Armed Forces Veterans License Fund and sets out how the revenue from the fee is distributed. The provisions of this bill are effective July 1, 2001.

FISCAL IMPLICATIONS

The appropriation of \$7.00 collected for each special motorcycle registration plate contained in this bill is a recurring revenue stream which would be retained and appropriated for the manufacture and issuance of the registration plates. Additionally, the bill allows \$8.00 collected for each special motorcycle registration plate to be transferred to the newly created fund--armed forces veterans license fund-- as established by the bill to expand services to rural areas of the state, including Native American communities and senior citizen centers. Any unexpended or unencumbered balance remaining at the end of any fiscal year shall not revert to the general fund.

The actual revenue depends on the number of plates issued. According to TRD, approximately 28,000 motorcycle registrations are issued annually in the state and approximately 900,000 passenger car plates are in circulation of which includes approximately 12,000, 1.3 percent, are veterans plates. If a similar fraction of military plates were purchased for motorcycles, roughly 160 veterans plates would be sold annually to New Mexico veterans. With the fee of \$15.00 per plate as established in the bill, total fees charged would be \$2.4 of which \$1.1 would be appropriated to TRD to defray costs of issuing the plates, while an additional \$1.3 would fund services for veterans in rural portions of New Mexico.

This bill creates a new Armed Forces Veterans Licence Fund and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

ADMINISTRATIVE IMPLICATIONS

It is expected the fees would cover the cost of issuing the new plates, although first year fees may be short of plate production costs but would catch up in a few years. Computer systems changes would impose opportunity costs to other system initiatives and enhancements.

RELATIONSHIP

The following other bills have been introduced that allow for special vehicle or motorcycle plates for the following purposes:

HB 672: disabled

HB 822: national guard

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HB 909: EMT & FOP
SB 265: fraternal lodges
SB 740: retired national guard
SB 771: retired firefighters

TECHNICAL ISSUES

The Taxation and Revenue Department notes “retired national guard” is listed on page 1, lines 24 and 25 but national guard is not included is not included in the list of veteran-designated decals in Subsection D, page 2 lines 17-25 and page 3 lines 1-20.

JMG/njw:ar