

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 2/1/23

SPONSOR Gallegos

BILL
NUMBER Senate Bill 276

SHORT TITLE Make-A-Wish Licensee Plate

ANALYST Anderson

REVENUE* (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
No fiscal impact	Up to \$1.0		Recurring- for as long as the plate is issued	MVD Suspense Fund

Parentheses () indicate revenue increases.
 *Amounts reflect most recent version of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$26.6		\$26.6		MVD Suspense Fund- staff workload
		\$0.8		\$0.8		MVD Suspense Fund- Design and Production for initial batch of 100
Total		\$27.4		\$27.4		

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent version of this legislation.

Relates to Senate Bill 142, House Bill 14, Senate Bill 284, and House Bill 240.

Sources of Information

LFC Files

Responses Received From
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Senate Bill 276

Senate Bill 276, Make-A-Wish License Plate, appropriates a fee of \$10 in addition to the regular motor vehicle registration fee to the Motor Vehicle Suspense Fund at the Motor Vehicle Division

(MVD) of the Taxation Revenue Department (TRD) for the purpose of defraying the cost of making and issuing special registration plates. The bill creates a new specialty license plate with a logo designed as specified in Section 66-3-424 NMSA 1978 that indicates that the owner of a vehicle supports Make-A-Wish New Mexico.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

The \$10 fee established by this bill will go to the MVD for the manufacture and issuance of the initial plate to the applicant. The MVD cannot anticipate how many of these plates will be requested. TRD notes the initial cost of creating a new plate is typically about \$800: about \$250 for the design costs and \$5.50 per plate in the initial batch of 100.

Implementation of this bill will have a moderate impact on TRD's Information Technology Division. The estimated time to develop, test, and implement the changes is approximately 480 hours (12 weeks) for an estimated \$26,659 of staff workload cost. This bill allows changes in the vehicle special plate fee process, registration fee calculation, and distributions. Application and configuration changes are required to the system.

While the estimated revenue from the special plates will be up to \$1,000, the estimated operating expenses will be close to \$27.4 thousand per year.

SIGNIFICANT ISSUES

TRD reports the total cost of manufacturing and distributing license plates has increased significantly because of increases in material costs, specifically aluminum costs and shipping costs, and suggests the plate fee be increased from \$10 to \$12 to allow for these increased costs. TRD suggests language allowing for the discontinuance of the specialty plate should be included in the bill to prevent the proliferation of specialty plates that are not in high demand. The suggested language:

Beginning on July 1, 2026, and on July 1 of each subsequent year, the department shall compare the number of Make-A-Wish special registration plates issued or registration renewals for those plates in the previous fiscal year with the average of the number of such plates issued in fiscal years 2024 and 2025. By September 1 of a fiscal year in which TRD determines the number of New Mexico Make-A-Wish license plates issued or registration renewals for those plates in the previous fiscal year is less than fifty percent of the average number of such plates issued in fiscal years 2024 and 2025, the department shall stop issuing New Mexico Make-A-Wish special registration plates.

ADMINISTRATIVE IMPLICATIONS

The additional staff hours and department resources needed to implement Senate Bill 276 is unlikely to represent a major administrative burden for the department.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 276 relates to Senate Bill 142, which would authorize a new specialty plate commemorating New Mexico miners, and House Bill 141, which would authorize a new specialty plate for “concerns of police survivors” (C.O.P.S). It also relates to Senate Bill 284 which authorizes a new specialty plate for New Mexico Special Olympics, as well as House Bill 240, which authorizes a new specialty plate for Acequia and Community Ditches.

GA/al/ne