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FISCAL IMPACT REPORT

SPONSOR: Tripp DATE TYPED: 02/07/01 HB 292
 SHORT TITLE: Registration of Certain Recreational Vehicles SB _____
 ANALYST: Rael

REVENUE

Estimated Revenue		Subsequent Year Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
\$ 100.0	\$ 100.0			Recurring	General Fund
\$ 35.0	\$ 34.0			Recurring	State Road Fund
\$ 17.0	\$ 16.0				Local Gov't

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: Senate Bill 88

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

This bill exempts recreational vehicles from the general requirement that the owner must have a New Mexico residence or mailing address. Anyone who can show proof of delivery in New Mexico may register that recreational vehicle in the state.

Significant Issues

New Mexico law may encourage registration in New Mexico even when it would violate the laws in other states. Certain RV owners may come to New Mexico to take advantage of a lower excise tax or lower registration fees, in violation of the laws of their home state.

FISCAL IMPLICATIONS

The Taxation and Revenue Department estimates a \$100.0 recurring general fund impact in FY01 and FY02. TRD also estimates \$35.0 and \$34.0 to the State Road Fund, and \$17.0 and \$16.0 to local governments in FY01 and FY02 respectively. These estimates are based on 100 first-time registrations, and 400 change of registration transactions.

A typical motorized RV weighs 10,000 to 18,000 pounds and carries a New Mexico registration fee of \$63 to \$107 (plus miscellaneous fees). The MVD statistical report lists "Recreational Vehicles". In FY 1998, the Department registered 63,111 RVs for an average fee of \$33. This apparently means that the vehicles registered as "RVs", weigh slightly over 4,000 GVW. This is typical of larger pull-behind RV trailers. Some smaller RV trailers are registered as utility trailers and apparently weigh about 1,400 pounds on average, based on "T-Trailer" allocation in the statistical reports. If a sales or motor vehicle excise tax has not been paid in another state, then the registration and title transaction also triggers a 3% motor vehicle excise tax.

ADMINISTRATIVE IMPLICATIONS

There is likely to be no significant impact if registrations are limited to a few hundred vehicles. However, if New Mexico became known for this exception, New Mexico could increase its registration applications by several thousand as Arizonans, particularly, attempt to avoid very high annual personal property taxes on RVs.

OTHER SUBSTANTIVE ISSUES

This bill will make legal for out-of-state residents to title and register recreational vehicles in New Mexico, even when this would violate their home-state resident registration requirements. New Mexico would be seen as making it difficult for these states to enforce their own registration laws. Would Arizona and other neighboring states retaliate? This concept was introduced in more limited form as SB-254 in 1999. The proposed legislation was vetoed by Governor Johnson who thought it unsuitable to tempt Texas, Oklahoma and other state residents to attempt to evade their own state's higher registration, annual and titling fees.

FAR/sb/njw