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FISCAL IMPACT REPORT

SPONSOR: Jennings DATE TYPED: 02/19/01 HB _____
 SHORT TITLE: Special Registration Plates SB 265/aSCORC
 ANALYST: Hayes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	Indeterminate			Recurring until FY03	OSF

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	Indeterminate	Indeterminate	Recurring after FY03	Motor Vehicle Division
	Indeterminate	Indeterminate	Recurring until FY03	UNM Hospital
	Indeterminate	Indeterminate	Recurring until FY03	State Road/Local

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC files
 Taxation and Revenue Department (TRD), draft analysis
Index to Revenue Sources in New Mexico

SUMMARY

Synopsis of SCORC Amendment

The amendment clarifies that the \$25.00 fee collected for each special vehicle registration plate will be distributed to the University of New Mexico for the support of the cancer research and treatment center.

Synopsis of Original Bill

SB265 adds a new section to Chapter 66, Article 3, NMSA 1978 to provide for new designs of special vehicle registration plates for fraternal lodges. The bill also adopts procedures for the application and issuance of such plates, plus specifies distribution of revenue collected from their sales.

The special vehicle registration plates will be designed by and for the Masons of New Mexico along with the Elks, Moose, Eagles and Sertoma lodges and issued by the Motor Vehicle Division accordingly. The special fraternal lodge license plates would cost \$40 per year to the buyer in addition to the regular motor vehicle registration fees.

FISCAL IMPLICATIONS

The appropriations contained in this bill are recurring through fiscal year 2003 and are directly related to the revenue collected for sales of special fraternal license plates. The amount is unknown at this time.

SB265 appropriates certain revenue to the Motor Vehicle Division for the purpose of providing funding for the manufacture and issuance of the special registration plates. From the \$40 fee, \$15 would be retained by MVD during fiscal years 2002 and 2003, and thereafter, distributed to the State Road Fund and local governments pursuant to Section 66-6-23 and 23.1 NMSA 1978.

The bill also intends to appropriate certain revenue collected from the sales of the fraternal license plates (fund is unspecified in SB265) to the University of New Mexico Hospital Cancer Center for providing cancer and leukemia services. From each \$40 fee, \$25 would be distributed to the cancer center noted above.

ADMINISTRATIVE IMPLICATIONS

The administrative cost to manufacture and distribute the fraternal lodge license plates may exceed the revenue generated. If there were a delay in implementing special plates for a particular lodge, then MVD may not receive adequate reimbursement to cover the costs of production and issuance given the two-year timeframe of the bill.

Issuance of any special vehicle license plate requires computer system changes within MVD. While the agency has the technical resources to accomplish this task, it is unclear whether the agency has the administrative resources available for the added responsibilities.

TECHNICAL ISSUES

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- a) No effective date is specified in the bill.
- b) Clarification is needed on certain deposits and distribution of revenues collected after fiscal year 2003. The bill states that the \$15 portion will be deposited with the state treasurer for credit to the motor vehicle suspense fund, but what happens with the remaining \$25? Does it continue to be distributed to UNMH Cancer Center after fiscal year 2003? If not, which fund should receive this revenue? HB265 is unclear on this point.
- c) During fiscal years 2002 and 2003, into which fund is the \$25 (for the cancer center) being deposited? Section C2 of the bill does not designate a fund for these purposes. The appropriation of this revenue to the UNMH Cancer Center needs to be made from a specific fund and to a specific fund. It is suggested that the monies be deposited and appropriated from the general fund.

POSSIBLE QUESTIONS

1. How many fraternal lodge members are there in the State of New Mexico? How many members would be interested in purchasing a special vehicle registration plate with their specific lodge insignia?

CMH/ar