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## FISCAL IMPACT REPORT



SPONSOR: Jennings DATE TYPED: 02/09/02 HB \_\_\_\_\_

SHORT TITLE: Special Mail Carrier License Plates SB 409

ANALYST: Hayes

### REVENUE

Estimated Revenue**		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	\$Unknown	\$Unknown	Recurring	OSF/MVD: \$10 per plate
	\$Unknown	\$Unknown	Recurring	State Road Fund: \$9.98 per plate
	\$Unknown	\$Unknown	Recurring	Local governments: \$5.02 per plate

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)  
 New Mexico State Highway and Transportation Department (SHTD)  
 LFC files

### SUMMARY

#### Synopsis of Bill

Senate Bill 409 adds a new section to the Motor Vehicle Code which directs the Motor Vehicle Division (MVD) of the Taxation and Revenue Department to establish and issue special vehicle license plates to any person who is an active mail carrier with the United States Postal Service.

Those purchasing such license plates are required to pay a fee of \$25 in addition to the regular motor vehicle registration fees.

#### Significant Issues

1. Of the \$25 fee, \$10 is to be retained by MVD to cover costs of manufacturing and issuing the license plates. The remaining \$15 would be deposited with the State Treasurer for credit

to the Motor Vehicle Suspense Fund for distribution in accordance with Section 66-6-23 NMSA 1978.

2. Subsection B allows the Secretary of Taxation and Revenue Department to determine what constitutes satisfactory proof of employment as a mail carrier with the United States Postal Services.
3. A person who misrepresents himself as a mail carrier and violates Subsection B of SB409 is guilty of a petty misdemeanor and will be sentenced pursuant to Section 31-19-1 NMSA 1978, "Sentencing Authority for Misdemeanors."
4. When a person holding this specialty plate ceases to be employed as a mail carrier with the U.S. Postal Service, he must remove the license plate from the vehicle, return it to TRD and exchange it for a regular license plate. However, if a mail carrier holding a special license plate actually retires from his position as a mail carrier, then he may retain the special plate.

### **FISCAL IMPLICATIONS**

According to the local vice-president of the postal carriers union, there are 1,707 mail carriers in New Mexico. If half of those carriers purchase the license plate, then revenue collected by MVD for the license plate production would be \$8,530 (\$10 x 853 mail carriers). Total annual revenue to the state would be \$21,325 (\$25 x 853 mail carriers).

\*\*TRD's estimated revenue was based on an estimated number of mail carriers in New Mexico. The estimates were overstated. The LFC analyst obtained actual employment statistics from the U.S. Postal Service as noted above.

### **ADMINISTRATIVE IMPLICATIONS**

To implement this legislation, the Motor Vehicle Division would be required to create new forms according to TRD. The Taxation and Revenue Department's Information System Bureau would need to create a new code and financial program for the new plate code. Artwork for the plates would need to be designed and approved. Special sheeting would have to be ordered from a contractor at a cost of \$2.50 to \$3.00 per plate (depending on total number of colors used), plus shipping would have to be paid from the \$10.00 fee. Total cost depends on the demand for the plates. Plates are ordered at a minimum of 1,700 because this is the number of plates that can be made from one roll of sheeting. A minimum order would cost the state anywhere from \$4,250 to \$5,100. It is uncertain whether demand would outweigh the costs of manufacturing the license plates given the number of mail carriers in New Mexico.

### **RELATIONSHIP**

Other specialty "prestige" plates have been proposed during the 2002 Session:

- HB14, Wildlife Registration license plates
- HB236, Agricultural Products license plates
- HB381, New Mexico Emergency Medical Technician license plates
- HB425, New Mexico High School Rodeo Association license plates

## TECHNICAL ISSUES

- Legislation regarding specialty plates typically indicates who will be responsible for designing or assisting in the design of specialty license plates. It is usually the interested party/ organization who is designated for the design process. It is suggested that such a designation is made in this bill; otherwise, MVD staff would necessarily be responsible for its design. Ultimately, however, the TRD secretary approves the final plate design.
- While specifying penalties for misrepresentation, the bill does not specify or impose a penalty for not returning the license plate to the department when the individual ceases to be employed as a U.S. Postal Service mail carrier. How will this be enforced?
- Does the sponsor want only mail carriers to have their own specialty license plate or should the license plate be for all U.S. postal workers?

## POSSIBLE QUESTIONS

1. If an already retired mail carrier would like to purchase the license plate, would he/she be eligible? *(The bill says they must be an active mail carrier.)*
2. Would mail carriers on contract who provide mail delivery services in rural areas be eligible to purchase these plates?

CMH/ar