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FISCAL IMPACT REPORT

SPONSOR: Tinnin DATE TYPED: 03/12/03 HB 704/aHTC

SHORT TITLE: License Plates for NM Civil Air Patrol SB _____

ANALYST: Hayes

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$0.1	\$0.1	Recurring	Motor Vehicle Division, General Fund:
	\$0.1	\$0.1	Recurring	State Road Fund:
	\$0.1	\$0.1	Recurring	*Local Govts:

(Parenthesis () Indicate Revenue Decreases)

*Local Government funds include distributions to various county general funds and roads funds, municipal road uses, and county and municipal general funds.

Relates to various specialty license plates proposed by the House and Senate.

SOURCES OF INFORMATION

Department of Military Affairs
LFC files

SUMMARY

Synopsis of HTC Amendments

The House Transportation Committee amendments to HB 704 focus on changing the request for developing a special license plate for the New Mexico Civil Air Patrol to providing for a standardized special registration plate with a logo for members of the Civil Air Patrol. All references in the bill to the manufacture of a special license plate for the Civil Air Patrol are changed by amendment to read as “a standardized” plate or “a plate with a logo.”

During the 2003 session, approximately 20 license plate bills have been introduced, all requesting MVD to produce a specialty plate for their group or organization. While all such requests are worthy of consideration, the Motor Vehicle Division has neither the staff nor the funding to manufacture all of these specialty license plates. Recognizing this problem, the House Transportation Committee inserts a new section of the Motor Vehicle Code, Section 66-3-424 NMSA

1978, [NEW MATERIAL] **STANDARDIZED SPECIAL REGISTRATION PLATES WITH LOGOS:**

- A. *Standardized special registration plates with logos may be authorized by statute to show state support for worthy public purposes. The authorizing statute shall provide for collection of fees that, at a minimum, will cover the costs to the division of development, manufacture and issuance of the special registration plates and logos.*
- B. *Standardized special registration plates, on the standardized areas, shall:*
 - (1) *display the colors of the state flag, red lettering on a yellow background;*
 - (2) *display the phrases “New Mexico USA” and “Land of Enchantment”;*
 - (3) *provide a space for applying the special registration logo, centered at the left edge of the plate, between the attachment holes, beginning one-fourth inch in from the edge of the plate and having the following dimension: four and one-eighth inches in height and three and one-eighth inches in width; and*
 - (4) *provide a vehicle registration number, to be assigned by the division, that consists of five alphanumeric characters displayed to the right of the special logo area.*
- C. *Special registration logos, except for the standard dimension specified in Paragraph (3) of Subsection B of this section, shall be left to the design discretion of the division, in consultation with the public purpose interest group that requests the special registration plate.*
- D. *Standardized special registration plates with logos, when authorized by statute for a particular public purpose interest group, shall meet the requirements specified in this subsection prior to plate issuance by the division. The public purpose interest group, no later than the effective date of the authorizing statute:*
 - (1) *shall provide evidence acceptable to the division that it will generate a minimum number of prepaid applications as determined by the division for the special registration plate with logo;*
 - (2) *shall provide a prepayment to the division in an amount sufficient to cover the plate and logo cost of the initial order;*
 - (3) *shall provide a sample of the requested artwork design in a format specified by the plate manufacturer for the specialized logo; and*
 - (4) *in cases where the authorizing statute includes revenue-sharing with distribution directed to a particular group or fund, shall show that the recipient is a governmental entity of a fund authorized for the use of a governmental entity.*
- E. *The division may promulgate rules for implementation of the provisions of this section.*

In summary, one standard license plate will be designed pursuant to subsection B above, which will have a 3 x 4 inch rectangular space in the middle onto which a Civil Air Patrol logo or any specialized logo can be placed. The group wanting the specialty logo must prepay and guarantee a minimum order. The result will be that more specialty logos can be ordered and produced without adversely affecting MVD's budget.

Lastly, amendment #11 addresses the effective date of the bill. It now reads:

*Section 3. **EFFECTIVE DATE.**—Except for Section 1 of this act, the effective date of the provisions of this act is January 1, 2004. The effective date of the provisions of Section 1 of this act is July 1, 2003.*

Synopsis of Original Bill

House Bill adds a new section to the Motor Vehicle Code to direct TRD to issue a special design license plate for members of civil air patrol, New Mexico wing. The special license plate would be issued for a one-time fee of \$25 in addition to the regular motor vehicle registration fees.

The TRD secretary will approve the final plate design for member of the civil air patrol, New Mexico wing in accordance with New Mexico law.

Significant Issues

1. Section A of the bill requires the person wanting the special license plate must submit proof satisfactory to TRD that he is a member of the civil air patrol, NM wing. Such proof shall include the submission of a signed consent form from the civil air patrol, NM wing.
2. According to Sections B and C, a person who misrepresents himself as a member of the civil air patrol is guilty of a petty misdemeanor and shall be sentenced pursuant to Section 31-19-1 NMSA 1978.
3. Of the \$25 fee, \$10 is to be appropriated and retained by the Motor Vehicle Division (MVD) to cover the 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 (see Revenue table on page 1). The \$25 fee is in addition to the annual motor vehicle registration fee.

FISCAL IMPLICATIONS

The portion of the fee that MVD receives (\$10) would cover the cost of the license plate in the out years, but the initial costs for production would need to be absorbed by the division.

No information has been provided to the LFC regarding the number civil air patrol members, New Mexico wing. However, the fiscal impact during the first year would probably involve the sale of fewer than 500 plates. Given that assumption, sales of the license plate would provide approximately \$5,000 in revenue to the Motor Vehicle Division, which probably would not cover the actual cost of production.

After the first year, the recurring demand and revenue generated from these license plates would probably involve fewer than 100 plates per year (less than \$1,000).

It is unclear whether demand would outweigh the costs of manufacturing the civil air patrol, New Mexico wing license plates.

RELATIONSHIP

HB 75, Armed Forces Retirees Special License
HB 201, Special Plates for Retired Firefighters (duplicate of SB 496)
HB 378, Special Plates for Retired NM Letter Carriers
HB 379, Special Plates for Letter Carriers
HB 520, Special Plates for National Guard Members
HB 566, Special Plates for Supporting Spayed Pets
HB 602, Special Plates for Retired NM National Guard (duplicate of SB 622)
HB 635, Special Plates for NM Fraternal Order of Police
HB 656, Special Plates for Wildlife Artwork
HB 704, License Plates for Civil Air Patrol, New Mexico Wing
HB 760, Special Commemorative Route 66 License Plate (duplicate of SB 770)
SB 197, License Plate for Active Duty Servicemen
SB 210, License Plates for Retired State Police
SB 211, License Plates for NM Mail Carriers
SB 493, Special Plates for NM HS Rodeo Association
SB 496, Special Plates for Retired Firefighters (duplicate of HB 201)
SB 549, Special Plates for Search and Rescue Members
SB 622, Special Plates for Retired NM National Guard (duplicate of HB 602)
SB 693, License Plates for Disabled Veterans
SB 770, Special Commemorative Route 66 License Plate (duplicate of HB 760)

TECHNICAL ISSUES

Suggested language. License plate legislation for professionals/military/law enforcement typically includes a section that states: “When a person holding a special plate ceases to be a member of the _____, he/she must return the license plate to TRD/MVD, at which time it will be exchanged for a regular license plate.”

CMH/njw:yr