

The effective date of the provisions of this legislation is July 1, 2003.

Significant Issues

1. MVD will be responsible for promulgating procedures for application for and the issuance of the rodeo association license plate pursuant to Sections A and B of the bill.
2. The \$35 fee is in addition to the regular annual motor vehicle registration fees.
3. Of the \$35 fee, \$10 is to be appropriated and retained by MVD in fiscal years 2004 and 2005 to the costs of manufacturing and issuing the license plates. Beginning in FY06, the \$10 fee will be credit to the motor vehicle suspense fund for distribution in accordance with Section 66-6-23 NMSA 1978. A new distribution is created from the motor vehicle suspense fund to the Taxation and Revenue Department.
4. The remainder of the fee, \$25, shall be distributed to the NM High School Rodeo Association to be used in its scholarship program.

FISCAL IMPLICATIONS

Pursuant to SB 493, the portion of the fee that MVD receives, \$10, would cover the cost of manufacturing the rodeo license plate its first two years. After FY05, no revenue is directed to MVD to continue covering the cost of production.

According to TRD, there are less than 300 members of the NM High School Rodeo Association. It is unknown if all of these members would acquire the specialty license plate. In this analysis, it is assumed that the fiscal impact during the first year would probably involve the sale of fewer than 300 plates. If so, revenue to the state, specifically MVD, would be less than \$3,000. A minimum order of sheeting/shipping/design/labor costs MVD approximately \$5,000.

After the first or second year of issuance, the recurring demand and revenue generated from the rodeo association plates would be minimal.

It is unclear whether demand would outweigh the costs of manufacturing the New Mexico High School Rodeo Association license plates.

RELATIONSHIP

Other specialty license plates requested during the 2003 session:

- 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)

POSSIBLE QUESTIONS

1. What is the estimated demand for these license plates? If \$25 of each vehicle registration plate fee is directed to the NM High School Rodeo Association, will enough funding be provided to support the scholarship program from the sales of the license plates?
2. After FY05, revenue is no longer being appropriated to MVD for production costs. Why?
3. Who will be responsible for the design of the license plate?

CMH/yr/njw