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FISCAL IMPACT REPORT

SPONSOR HTC DATE TYPED 2/23/05 HB 248/HTCS
 SHORT TITLE Children's Artwork Motorcycle License Plates SB _____
 ANALYST Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			See Narrative		

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Nonrecurring	Fund Affected
FY05	FY06			
	Minimal	Minimal	Recurring	Children's Trust Fund (\$15 per plate)
	Minimal		Non-Recurring	MVD administration (\$5 per plate – one time)
	Minimal	Minimal	Recurring	State Road Fund (\$3.73 per plate in renewal years)
	Minimal	Minimal	Recurring	Local Govts – 66-6-23.1 formula (\$1.27 at renewal)

(Parenthesis () Indicate Revenue Decreases)

* The number of Children's Artwork motorcycle plates that will be requested is unknown, but expected to be small. \$15 per plate will be distributed to the Children's Trust Fund every year. \$5 per plate will be distributed to the Motor Vehicle Division (MVD) for the cost of production in the first year each plate is requested. After the first year, \$5 of each renewal fee is distributed to the State Road Fund and local governments under the Section 66-6-23.1 formulaic distribution.

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

The House Transportation Committee substitute for House Bill 248 provides for the Motor

Vehicle Division (MVD) to issue special motorcycle registration plates featuring the artwork of the children of New Mexico. The fee, in addition to regular vehicle registration fees, will be \$20 per year for the motorcycle plate. The owner of the motorcycle may apply for and pay the additional fee each year in order to retain the special children's artwork plate.

Significant Issues

The bill states that the children's trust fund board of trustees shall determine the color and design of the plate. As the bill stands, it does not conform to 66-3-424 passed in the 2003 session to eliminate the proliferation of specialty plates and to standardize the design to retain the distinctiveness of the New Mexico "yellow" plate. As such, passage of the bill will mean that MVD will have to pay for artwork and silk-screening to create the special plate.

The current design on the children's passenger plate may not fit on the motorcycle plate due to the 4"x 6" size of the plate. The motorcycle plate will only allow for an image of 1½"x1½" to be placed on the plate. When the design is shrunk to fit on the plate it may be distorted and may have to be re-designed.

FISCAL IMPLICATIONS

\$15 per plate will be distributed to the Children's Trust Fund every year. \$5 per plate will be distributed to MVD for the cost of production in the first year each plate is requested. After the first year, \$5 of each renewal fee is distributed to the State Road Fund and local governments through Section 66-6-23 to the Section 66-6-23.1 formulaic distribution.

ADMINISTRATIVE IMPLICATIONS

TRD is not able to forecast, with reasonable accuracy, the number of initial fees that will be paid as people purchase these plates or the percentage of plates for which renewal fees will be paid.

The following are some of the upfront costs that the MVD will incur:

- Artwork costs - \$150.00 to \$400.00 (depending on color scheme)
- Silkscreen setups - \$80.00 to \$200.00 (depending on color scheme)
- Suffix setup - \$200.00

MVD will be required to order a minimum of 500 plates, costing approximately \$1,390.00, depending on the cost of the plate. Total costs to MVD for producing the special plate will be approximately \$2,190.00. MVD could lose money if enough special plates are not sold to break-even, especially in the first year of issuance.

DW/lg:yr