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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/06

SPONSOR Campos LAST UPDATED _____ HB 116

SHORT TITLE License Plate Revenue Distribution SB _____

ANALYST Earnest

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
*	\$5.0 to \$25.0	\$5.0 to \$25.0	Recurring	Historic Preservation Fund
*	\$2.0 to \$10.0	\$2.0 to \$10.0	Recurring	Motor Vehicle Suspense Fund

(Parenthesis () Indicate Expenditure Decreases)

* No revenue is anticipated for FY06, because, to date, the commemorative license plate has not been designed or produced. FY07 and FY08 revenues estimated on sale of 200 to 1,000 Route 66 commemorative plates.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

Department of Cultural Affairs (DCA)

Department of Transportation (DOT)

SUMMARY

Synopsis of Bill

House Bill 116 would amend the Motor Vehicle Code to shift the distribution and appropriation of revenue generated by the sale of Route 66 commemorative license plates from the Department of Transportation to the Department of Cultural Affairs, Historic Preservation Division.

Under current law, \$25 of the \$35 fee is distributed to DOT Scenic Byways Program and \$10 dollars remains at TRD, Motor Vehicle Division for production and administration. HB116 would change the \$25 distribution to the DCA, Historical Preservation Division.

FISCAL IMPLICATIONS

The Route 66 commemorative plate has not been developed, and it is difficult to estimate potential sales.

The use of the revenues from the special registration plates remains the same: for “the revitalization and preservation of historic Route 66 in New Mexico” and for defraying the cost of making and issuing the special registration plate. Under the proposed law, the revenue designated for “the revitalization and preservation of historic Route 66 in New Mexico” will now be administered by the Historic Preservation Division as opposed to the Scenic Byways Program.

PERFORMANCE IMPLICATIONS

The preservation of Route 66 landmarks is within the mission of the Historic Preservation Division and is supported through existing state statutes [Prehistoric and Historic Sites Preservation Act 18-8-1 through 18-8-8, NMSA 1978, Cultural Properties Protection Act 18-6A-1 through 18-6A-6, NMSA 1978]. The Division’s achievements on Historic Route 66 preservation include productive partnerships with numerous organizations including the New Mexico Route 66 Association and the Route 66 Corridor Preservation Office of the National Park Service. Multiple cultural resources related to Route 66 are listed in the State Register of Cultural Properties and the National Register of Historic Places. The fund will enhance the ability of New Mexico’s Route 66 communities to plan and implement preservation projects and promote heritage tourism. In addition these activities will positively impact HPD preservation performance measures.

ADMINISTRATIVE IMPLICATIONS

DCA indicates that affinity organizations would market the plates and the Historic Preservation Division will receive part of the income, maintain accounts and process grant applications. Since the Division currently manages grants in a similar manner, this program would parallel those already established.

According to TRD, there would be minimal impact. The current revenue system has only three more revenue codes left to use. Each new type of revenue distribution will require its own revenue code. TRD is currently working on updating the system to avoid this limitation. If more than three special plates are mandated by legislation during this session, extensive work will have to be done to the revenue system in order to accommodate the additional plates.

According to DOT, the Historic Preservation Division of the Cultural Affairs Department might have more flexibility in grant administration and, therefore, may be a more appropriate entity to receive the funds generated by this special plate. Also, with the recent movement of the DOT’s Scenic Byways Program coordinator to the Tourism Department, the DOT’s role is limited to being a conduit for delivery of related federal funds to the Scenic Byways Program. Thus, the proposed law will simplify DOT’s accounting.

TECHNICAL ISSUES

According to TRD, the bill is missing detailed distribution language in Section 66-6-23 NMSA 1978 Distribution of Fees. TRD recommends adding: “(17) to the historic preservation division of the cultural affairs department, an amount equal to the fees collected pursuant to Section 66-3-

424.8 NMSA 1978”

Adding distribution language could cause a potential conflict for the Department with regards to Section 66-6-23. Language is needed to reconcile amendments to Section 66-6-23 due to HB201 passed and signed in the 2005 Legislation.

OTHER SUBSTANTIVE ISSUES

According to DOT, because an effective date is not specified the effective date would be 90 days following adjournment (May 19, 2006). Any effective date falling on any day other than the first of the month may be difficult to administer, if the special plates were to become available to the public prior to that date. An effective date corresponding to the first of June 2006 or any first day of the month thereafter would facilitate transitioning to administer the new law.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

DCA notes that the sale of the Route 66 Commemorative Registration Plates may continue to languish, with no funds forthcoming to Route 66 communities with resources in need of revitalization and preservation.

BE/nt