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FISCAL IMPACT REPORT

ORIGINAL DATE 02/25/09
 LAST UPDATED 03/10/09 HB 801/aHTPWC

SPONSOR Tyler

SHORT TITLE Retired Law Enforcement License Plates SB _____

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$10.0	Recurring	MVD Operating Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	\$10.0	\$10.0	Recurring	MVD Operating Fund
	\$11.2	\$11.2	Recurring	State Road Fund
	\$3.8	\$3.8	Recurring	Local Government

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$13.2			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

Department of Public Safety

SUMMARY

Synopsis of HTPWC Amendment

House Transportation and Public Works Committee amendment to House Bill 801 adds a bill effective date of July 1, 2010.

Synopsis of Original Bill

House Bill 801 proposes to add a new section to the Motor Vehicle Code authorizing the Motor Vehicle Division (MVD) to issue a special registration license plate indicating that the recipient is a person who is a retired New Mexico law enforcement officer. The logo, as approved by the secretary of TRD, shall clearly indicate “Retired New Mexico Law Enforcement Officer”.

The recipient of the special plate shall provide proof to MVD including the submission of a retirement commission from a New Mexico law enforcement agency. A person in violation of the Act is guilty of a petty misdemeanor and sentenced pursuant to Section 31-19-1 NMSA 1978.

The annual fee for the plate would be \$25 in addition to the regular motor vehicle registration fee. Revenue from sale of the special plates would be distributed as follows: \$10 retained by MVD for the cost of making and issuing the plate, and \$15 to the motor vehicle suspense fund for distribution pursuant to Section 66-6-23 NMSA 1978.

The \$25 additional fee for this plate is for the original issuance only and would not be charged upon renewal of the registration.

FISCAL IMPLICATIONS

According to the Taxation and Revenue Department (TRD), the estimated revenue calculation is as follows:

- 1,000 plate per fiscal year x \$10 transaction fee = \$10.0 MVD fee
- 1,000 plate per fiscal year x \$15 transaction fee x 74.65% = \$11.2 State Road Fund
- 1,000 plate per fiscal year x \$15 transaction fee x 25.35% = \$3.8 Local Government

Continuing Appropriations language

This bill provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions, as earmarking reduces the ability of the legislature to establish spending priorities.

The bill allows MVD to keep some of the monies collected to defray the costs of the plate but does not include language making the monies non-reverting.

ADMINISTRATIVE IMPLICATIONS

According to TRD, although this bill will have a low IT impact, MVD has an issue with adding additional revenue codes to the IT system. Implementation would involve changes to the following programs.

- MVD 2.0 Vehicle application (60 hrs)

- MVD Vehicle Registration Web Application (40hrs)
- MVD Nightly Batch (60 hrs)
- Distribution Application (MVRO) (60 hrs)
- MVD Website (4hrs)
- User Acceptance Testing (40 hrs)

Total: 264 hours @ \$50/hour = \$13,200

TECHNICAL ISSUES

This bill provides for a continuing appropriation to MVD from fees collected from the commemorative plate. The LFC has concerns with including continuing appropriation language in statutory provisions, as earmarking reduces the ability of the legislature to establish spending priorities.

OTHER SUBSTANTIVE ISSUES

Last year, the MVD issued 25,000 special plates in 22 different types. Most common were military (9,269) and collegiate (UNM, NMSU, NMT, 8,957), but several of the plates have been issued in much smaller quantities.

DL/mc