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DRAFT FISCAL IMPACT REPORT

SPONSOR Harper **ORIGINAL DATE** 01/25/20 **LAST UPDATED** 02/10/20 **HB** 157/aHTPWC/aHTRC

SHORT TITLE Childhood Cancer Family Support License Plate **SB** _____

ANALYST Hanika-Ortiz

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY20	*FY21	*FY22		
	\$1.0		Nonrecurring	TRD/MVD Operating Fund
	\$3.0	\$4.0	Recurring	DOH Operating Fund

*The revenue estimates above are for the initial order of 100 plates.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$24.9		\$24.9	Nonrecurring	TRD Operating Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HTRC Amendment

The House Taxation and Revenue Committee amendment strikes the HTPWC amendment retains the appropriation to DOH for the purposes of the bill and further clarifies that in addition to comparing the number of special plates issued, DOH will also compare the number of renewals for those plates and if in subsequent fiscal years the total is less than 50 percent of the number of plates issued or renewed in FY21 and FY22, then DOH shall stop issuing the plates.

Synopsis of HTPWC Amendment

The House Transportation, Public Works and Capital Improvements Committee amendment distributes \$30 of the initial fee and the entire renewal fee to the Department of Health (DOH) for childhood cancer awareness, outreach and education. Furthermore, the amendment provides that on July 1, 2023, and for each subsequent year, DOH shall compare the number of plates issued in the previous year with the average number issued in FY21 and FY22 and if less, DOH shall notify the NM Compilation Commission and Legislative Council Service and stop issuing the special plates.

Synopsis of Original Bill

House Bill 157 adds a new section of the Motor Vehicle Code to create a childhood cancer family support special registration plate to express support for families that have a child with cancer.

FISCAL IMPLICATIONS

HB 157 would authorize a fee of \$40 over the regular registration fee to pay for the special plate. Ten dollars of the initial fee would be retained by TRD to manufacture and issue the special registration plate. Thirty dollars of the initial fee and each renewal fee collected would be distributed to and are appropriated to UNM's division of pediatric hematology and oncology.

The revenue estimates are based on the State's experience with breast cancer awareness plates. Similar to the proposed legislation for the childhood cancer family support special plate, the breast cancer awareness plate has an initial fee of \$37 and upon each regular registration renewal.

TRD estimates the time to develop, test and implement the new fees and distributions is approximately 480 hours or 3 months for an estimated cost of \$24.9 thousand for state IT resources.

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

SIGNIFICANT ISSUES

The cost to implement a new plate is passed on to the requestor who is required to pay for an initial order of 100 plates. The total cost is \$800: \$250 to design the plates and \$550 for the 100 plates.

ADMINISTRATIVE IMPLICATIONS

TRD reports minimal administrative impact from revising the policy manual and associated forms and to account for the new fees and distributions.

AHO/al/sb