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FISCAL IMPACT REPORT

LAST UPDATED _____

SPONSOR Ferrary/Sarinana/Garcia, H/Alcon **ORIGINAL DATE** 2/15/23

BILL

SHORT TITLE Additional Disabled Veteran License Plate **NUMBER** House Bill 366

ANALYST Torres, J

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	\$142.8		\$142.8	Nonrecurring	MVD Suspense Fund Contractual Resources
	No fiscal impact	\$37.8		\$37.8	Nonrecurring	MVD Suspense Fund-Staff Workload Cost
	No fiscal impact	\$75.0	\$75.0	\$150.0	Recurring	DVS
Total		\$255.6	\$75.0	\$330.6		

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent version of this legislation.

Sources of Information

LFC Files

Responses Received From

Department of Veteran Services (DVS)
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of House Bill 366

House Bill 366 provides for the issuance of special plates, in addition to the two existing disabled veteran plates, for veterans qualifying as 50 percent disabled or more during their terms of service. The additional plate can be any combination of the veteran's choice, free of charge, notwithstanding any fee that would otherwise be charged for a special registration plate. Veterans will only be charged regular plate and registration fees for the additional special plates. False representation in order to obtain a special plate could result in a misdemeanor charge.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

DVS states:

If HB366 passes, this may increase the volume of inquiries and applications needing to be certified by the state benefits office of NMDVS, and would require 1 FTE, classification range 55 [at \$75 thousand], to maintain the increased workflow.

TRD states:

Administrative & Compliance Impact:

Implementation of this bill will have a moderate impact on the Taxation and Revenue Department's Information Technology Division (ITD). The estimated time to develop, test and implement the changes is approximately 680 hours or four months and approximately \$180,600 (\$142,800 contractual resources including gross receipts tax, and staff workload costs of \$37,800)

This bill requires MVD to issue additional disabled veteran benefit special registration plates in excess of the existing two plates with no fee or two specialty plates with plate fee or combination of these benefits. This new special registration plate needs to get registered with standard plate type fee and registration fee. Application and configuration changes are required to the system. Fee and reverse distribution changes for MVD funds.

This bill requires the following changes to Tapestry:

- Update plate rules on all registration activities to allow more than two disabled veteran benefit plates;
- Update fee calculation to no longer exempt fees for disabled veteran plates that do not use the free plate/registration benefit;
- 1 and 2-year renewals for non-free disabled veteran benefit plates;
- Verify renewal reminder for non-free DV Benefit plates;
- Verify renewal processes for non-free DV Benefit plates; and
- Testing MyMVD, IVR, kiosk, and postcards.

For payment of the regular license and registration fee, qualifying veterans will be allowed to obtain DV license plates in excess of the current two-plate limit. This bill therefore recognizes disabled veterans in a manner which is both fair to them and to the New Mexico economy.

JT/al/ne