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FISCAL IMPACT REPORT

SPONSOR: Rios DATE TYPED: 03/05/01 HB 822/aHCPAC
 SHORT TITLE: National Guard Registration Plates SB _____
 ANALYST: Gonzales

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
		See Narrative	Recurring	State Road Fund (66.541%)
		See Narrative	Recurring	Counties (20.064)
		See Narrative	Recurring	Municipalities (5.358)
		See Narrative	Recurring	Counties and Municipalities (8.037)

(Parenthesis () Indicate Revenue Decreases)

Relates to SB740

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)
 Department of Military Affairs

SUMMARY

Synopsis of House Consumer and Public Affairs Committee Amendment

This amendment makes a technical correction and also adds language so upon retirement and payment of a \$15.00 annual fee. A retired member shall be issued a national guard retired distinctive plate if one so chooses.

Synopsis of Bill

House Bill 822 allows a New Mexico national guard member, upon retirement, to keep his distinctive registration plate for an annual administrative fee of \$15.00

Significant Issues

This bill requires retired members to pay only a \$15.00 annual administrative fee to maintain the plate. However, active members must pay the regular registration fee which is higher.

FISCAL IMPLICATIONS

This bill would allow retired National Guard members to register their vehicles for an annual fee of \$15.00 per vehicle, and it appears without having to pay regular vehicle registration fees. The Taxation and Revenue Department notes the National Guard has approximately 80 members who retire each year, although a number is not available on the total number of retired National Guard members. Due to the \$15.00 annual fee and no additional registration fee, it is anticipated all retirees would choose to retain their National Guard plate which would result in a loss to the state road fund and local governments.

ADMINISTRATIVE IMPLICATIONS

Effective January 1, 2001, the Motor Vehicle Division (MVD) of the Taxation and Revenue Department took back duties of issuing National Guard plates previously administered by the National Guard. According to the Department of Military Affairs, the Guard on a monthly basis forwards a list of discharged or retired personnel to MVD to eliminate from their system. Under current statute, once these individuals are eliminated, they will no longer be eligible for the special National Guard plates reserved only for active members of the Guard.

The MVD is in the process of introducing a new National Guard plate design. Since the bill would allow retired members to be treated the same as active members, the new plate design will not have to accommodate a special decal indicating "retired".

The Taxation and Revenue Department notes:

An alternative solution might be to amend Section 66-3-419 NMSA 1978 to specify a "Retired National Guard" decal be available with the Armed Forces Veteran plate, or possibly even a Legislative Memorial could request the Division consider providing a "Retired National Guard" decal for the Armed Forces Veteran plate.

RELATIONSHIP

HB-822 is similar to SB-740, but SB-740 requires retired members to turn-in the *active* National Guard upon retirement, and allows them to apply for a new *retired* National Guard special plate. HB-822 allows a member to "retain" their plate upon retirement. Both bills appear to exempt National Guard retirees from paying regular vehicle registration fees.

TECHNICAL ISSUES

According to the Taxation and Revenue Department:

Active members of the National Guard receive their special plates for no charge, and do not pay regular motor vehicle registration fees. This bill appears to exempt retired members of the National Guard from paying vehicle registration fees. Under current law, retired National Guard members are required to turn-in their National Guard plates upon retirement and begin paying regular motor vehicle registration fees. They

are eligible for an Armed Forces Veteran plate for a one-time fee of \$15, in addition to regular motor vehicle registration fees.

OTHER SUBSTANTIVE ISSUES

The Taxation and Revenue Department reports:

Section 66-3-419 NMSA 1978 allows retired members of the National Guard to obtain Armed Forces Veteran plates for a one-time fee of \$15. Along with the Armed Forces Veteran plate, veterans may elect to receive a veteran-designation decal indicating the veteran's special history (medal of honor, ex-prisoner of war, disabled veteran, Pearl Harbor survivor, Navajo code talker, Vietnam veteran, etc.), but there is no special decal listed in statute for "retired National Guard". Amending Section 66-3-419 NMSA 1978 to provide this category is an alternative solution.

JMG/ar:prr