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FISCAL IMPACT REPORT

SPONSOR: Stewart DATE TYPED: 03/12/03 HB 656/aHTC

SHORT TITLE: License Plates Featuring Wildlife Artwork SB _____

ANALYST: Hayes

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$0.0	\$0.0	N/A	Motor Vehicle Division, General Fund
	\$0.1	\$0.1	Recurring	State Road Fund:
	\$0.1	\$0.1	Recurring	*Local Govts:

(Parenthesis () Indicate Revenue Decreases)

*Local Government funds include distributions to various county general funds and roads funds, municipal road uses, and county and municipal general funds.

Relates to various specialty license plates proposed by the House and Senate.

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)
LFC files

SUMMARY

Synopsis of HTC Amendments

The House Transportation Committee amendments to HB 656 involve changing the request for developing a special license plate featuring artwork of New Mexico wildlife to enacting a description of and requirements for a standardized special registration plate with a logo. All references in the bill to the manufacture of a special license plate featuring wildlife artwork are changed by amendment to read as “a standardized” plate or “a plate with a logo.”

During the 2003 session, approximately 20 license plate bills have been introduced, all requesting MVD to produce a specialty plate for their group or organization. While all such requests are worthy of consideration, the Motor Vehicle Division has neither the staff nor the funding to manufacture all of these specialty license plates. Recognizing this problem, the House Transport-

tation Committee inserts a new section of the Motor Vehicle Code, Section 66-3-424 NMSA 1978, [NEW MATERIAL] **STANDARDIZED SPECIAL REGISTRATION PLATES WITH LOGOS:**

- A. *Standardized special registration plates with logos may be authorized by statute to show state support for worthy public purposes. The authorizing statute shall provide for collection of fees that, at a minimum, will cover the costs to the division of development, manufacture and issuance of the special registration plates and logos.*
- B. *Standardized special registration plates, on the standardized areas, shall:*
 - (1) *display the colors of the state flag, red lettering on a yellow background;*
 - (2) *display the phrases "New Mexico USA" and "Land of Enchantment";*
 - (3) *provide a space for applying the special registration logo, centered at the left edge of the plate, between the attachment holes, beginning one-fourth inch in from the edge of the plate and having the following dimension: four and one-eighth inches in height and three and one-eighth inches in width; and*
 - (4) *provide a vehicle registration number, to be assigned by the division, that consists of five alphanumeric characters displayed to the right of the special logo area.*
- C. *Special registration logos, except for the standard dimension specified in Paragraph (3) of Subsection B of this section, shall be left to the design discretion of the division, in consultation with the public purpose interest group that requests the special registration plate.*
- D. *Standardized special registration plates with logos, when authorized by statute for a particular public purpose interest group, shall meet the requirements specified in this subsection prior to plate issuance by the division. The public purpose interest group, no later than the effective date of the authorizing statute:*
 - (1) *shall provide evidence acceptable to the division that it will generate a minimum number of prepaid applications as determined by the division for the special registration plate with logo;*
 - (2) *shall provide a prepayment to the division in an amount sufficient to cover the plate and logo cost of the initial order;*
 - (3) *shall provide a sample of the requested artwork design in a format specified by the plate manufacturer for the specialized logo; and*
 - (4) *in cases where the authorizing statute includes revenue-sharing with distribution directed to a particular group or fund, shall show that the recipient is a governmental entity of a fund authorized for the use of a governmental entity.*
- E. *The division may promulgate rules for implementation of the provisions of this section.*

In summary, one standard license plate will be designed pursuant to subsection B above, which will have a 3 x 4 inch rectangular space in the middle onto which a wildlife artwork logo or any other specialized logo can be placed. The group wanting the specialty logo must prepay and guarantee a minimum order. The result will be that more specialty logos can be ordered and

produced without adversely affecting MVD's budget.

Lastly, amendment #11 addresses the effective date of the bill. It now reads:

*Section 3. **EFFECTIVE DATE.**—Except for Section 1 of this act, the effective date of the provisions of this act is January 1, 2004. The effective date of the provisions of Section 1 of this act is July 1, 2003.*

Synopsis of Original Bill

House Bill 656 adds a new section to the Motor Vehicle Code to direct the Taxation and Revenue Department to issue a special design license plate featuring artwork of New Mexico wildlife for any private motor vehicle except motorcycles. TRD shall adopt procedures regarding application for and issuance of the special wildlife artwork license plates.

Significant Issues

1. According to Section B, the director of the Department of Game and Fish will designate a "share with wildlife" license plate design committee that will recommend color and design of the plate. However the director, in cooperation with the TRD secretary shall determine the final design.
2. No personalized or vanity design variations of the special wildlife artwork license plate will be issued.
3. For an initial fee of \$25, a motor vehicle owner may apply for the issuance of a wildlife artwork license plate. In each subsequent year, the fee will be \$10 if an individual wants to retain and renew the wildlife artwork license plate.
4. Of the initial \$25 fee, \$10 would be deposited with the State Treasurer for credit to the Motor Vehicle Suspense Fund for distribution in accordance with Section 66-6-23 NMSA 1978 (see Revenue table on page 1). The remainder \$15, of the initial fee and the entire renewal fee collected shall be distributed to the "share the wildlife" program of the game protection fund. No funding is appropriated to the Motor Vehicle Division to defray the cost of manufacturing the license plate.

FISCAL IMPLICATIONS

Virtually all of the specialty license plate legislation directs part of the license plate fees to MVD to pay for their production. This bill does not. It is unclear how MVD will bear the full cost of manufacturing the license plates without any revenue associated with its sale.

No information was provided by the Department of Game and Fish as to estimated demand of these plates; therefore, potential revenue from sales is unknown. However, TRD states that an initial run of 5,000 license plates would cost MVD approximately \$25,000.

RELATIONSHIP

Other special “prestige” license plates have been proposed during the 2003 session:

- HB 75, Armed Forces Retirees Special License
- HB 201, Special Plates for Retired Firefighters (duplicate of SB 496)
- HB 378, Special Plates for Retired NM Letter Carriers
- HB 379, Special Plates for Letter Carriers
- HB 520, Special Plates for National Guard Members
- HB 566, Special Plates for Supporting Spayed Pets
- HB 602, Special Plates for Retired NM National Guard (duplicate of SB 622)
- HB 635, Special Plates for NM Fraternal Order of Police
- HB 656, Special Plates for Wildlife Artwork
- HB 704, License Plates for Civil Air Patrol, New Mexico Wing
- HB 760, Special Commemorative Route 66 License Plate (duplicate of SB 770)
- SB 197, License Plate for Active Duty Servicemen
- SB 210, License Plates for Retired State Police
- SB 211, License Plates for NM Mail Carriers
- SB 493, Special Plates for NM HS Rodeo Association
- SB 496, Special Plates for Retired Firefighters (duplicate of HB 201)
- SB 549, Special Plates for Search and Rescue Members
- SB 622, Special Plates for Retired NM National Guard (duplicate of HB 602)
- SB 693, License Plates for Disabled Veterans
- SB 770, Special Commemorative Route 66 License Plate (duplicate of HB 760)

QUESTIONS

1. Why isn't funding provided to MVD for the production of the wildlife artwork license plates?
2. How will the revenue be used that is distributed to the “share the wildlife” program of the game protection fund? Why is the entire \$10 renewal fee in subsequent years going to the “share the wildlife” program instead of the motor vehicle suspense fund?

CMH/lb:njw