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## FISCAL IMPACT REPORT

SPONSOR: Campos, J. DATE TYPED: 03/17/03 HB 760/aHTC/aHFI#1

SHORT TITLE: Special Commemorative Route 66 License Plate SB \_\_\_\_\_

ANALYST: Hayes

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$0.1	\$0.1	Recurring	State Highway and Transportation
	\$0.1	\$0.1	Recurring	Motor Vehicle Division

(Parenthesis ( ) Indicate Revenue Decreases)

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

### SOURCES OF INFORMATION

#### Responses Received From

Taxation and Revenue Department (TRD)

State Highway and Transportation Department (SHTD)

### SUMMARY

#### Synopsis of HFI Amendment

The first House Floor Amendment # 1 strikes the House Transportation Committee's amendment #12. The distribution of the \$35 fee collected for the commemorative Route 66 license plate will be in the following manner:

1. \$10.00 shall be appropriated to and retained by MVD to defray the cost of manufacturing and issuing the special registration plate with the Route 66 logo;
2. \$25.00 of the additional fee shall be distributed and appropriated to the State Highway and Transportation Department for the purpose of funding the revitalization and preservation of historic Route 66 in New Mexico.

#### Synopsis of HTC Amendments

The House Transportation Committee amendments to HB 760 involve changing the request for

developing a special commemorative Route 66 license plate to providing for a standardized special registration plate with a logo commemorating Route 66. All references in the bill to the manufacture of a special license plate for Route 66 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 Transportation 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 Route 66 or any 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.

Amendment #10 clarifies that the \$35.00 fee for the logo shall be in addition to the regular motor vehicle registration fees.

Amendment #12 amends subsection C to clarify the distribution of the fees collected.

Amendment #13 adds that the \$25.00 fee appropriated to the State Highway and Transportation is for funding the revitalization and preservation of historic Route 66 in Mexico pursuant to the national scenic byways program

Lastly, amendment #14 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 Bill

House Bill 760 directs the Taxation and Revenue Department to issue a special design "Route 66" commemorative license plate. A vehicle owner must pay \$35.00 fee each year to retain and renew the Route 66 license plate, and the revenue from the \$35.00 fee will be appropriated to the State Highway and Transportation Department for the purpose of funding the revitalization and preservation of historic route 66 in New Mexico.

The effective date of the provisions of this legislation is July 1, 2003.

#### Significant Issues

1. The \$35 fee for the Route 66 license plate must be paid yearly in order to retain and renew the registration plate. The bill does not clarify whether this fee is in addition to the annual motor vehicle registration fee that vehicle owners must pay.
2. Revenue from sales of the license plate will be directed to SHTD for preservation of the historic Route 66. No funding is appropriated to the Motor Vehicle Division of TRD to defray the cost of production.

#### **FISCAL IMPLICATIONS**

Virtually all of the specialty license plate legislation proposed in 2003 directs part of the license plate fees collected to MVD to pay for the manufacture of the plates. HB 760 does not. It is unclear how MVD will bear the full cost of production without receiving any of the revenue associ-

ated with its sale. Typically, an initial run of 5,000 license plates would cost MVD approximately \$25,000. Public demand for the Route 66 license plate is unknown so estimated revenue to the State Highway and Transportation department is not provided.

## **DUPLICATION/RELATIONSHIP**

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  
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)

## **TECHNICAL ISSUES**

The language in the bill does not state whether it is adding a new section to the Motor Vehicle Code to authorize the production and issuance of the Route 66 license plate or if it is amending current statutes to include the Route 66 design. This needs to be clarified in the bill.

## **OTHER SUSTANTIVE ISSUES— added on 3/17/03**

According to the State Highway and Transportation Department, the language regarding the “revitalization and preservation of historic route 66” is unclear. Most of historic Route 66 is no longer part of the state highway system, so SHTD’s attempt at preservation of the historic Route 66 might be complicated by issues of local government participation. It is also unclear how the department might “revitalize” Route 66, since the vitality of the route would generally depend on the vitality and attractions offered by the communities and business enterprises along the route. Consideration might be given to distributing the revenue from the fee to a local government grant program administered by some appropriate agency, for use by municipal governments.

The department’s Scenic Byways Coordinator has suggested that a grant program could be implemented to compliment existing Scenic Byways programs that administer federal funds. Generally, local governments, nonprofit organizations or the Route 66 Association might apply for grants administered in conjunction with the Scenic Byways Program for preservation and restoration projects along Route 66.