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## FISCAL IMPACT REPORT

SPONSOR: Griego DATE TYPED: 02/11/03 HB \_\_\_\_\_

SHORT TITLE: Special Plates for Retired Firefighters SB 496

ANALYST: Hayes

### REVENUE

| Estimated Revenue |       | Subsequent<br>Years Impact | Recurring<br>or Non-Rec | Fund<br>Affected                           |
|-------------------|-------|----------------------------|-------------------------|--|
| FY03              | FY04  |                            |                         |  |
|                   | \$0.1 | \$0.1                      | Recurring               | Motor Vehicle Division, GF: \$10 per plate |
|                   | \$0.1 | \$0.1                      | Recurring               | State Road Fund: \$9.98 per plate          |
|                   | \$0.1 | \$0.1                      | Recurring               | *Local Govts: \$5.02 per plate             |

(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.

Duplicates HB 201

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

### SOURCES OF INFORMATION

#### Responses Received From

Taxation and Revenue Department

State Highway and Transportation Department (SHTD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 496 amends Section 66-3-422 NMSA 1978 and creates a special design license plate for retired professional firefighters. The special license plate would be issued for a one-time fee of \$25 in addition to the regular motor vehicle registration fees.

In addition, if an active firefighter has a special firefighter license plate when he retires from his position, then he must return the "active firefighter" plate and be issued a retired firefighter li-

cense plate on request and payment of the fee required.

### Significant Issues

1. Of the \$25 fee, \$10 is to be retained by the Motor Vehicle Division (MVD) to cover the costs of manufacturing and issuing the license plates. The remaining \$15 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).
2. Section C of the bill requires the person wanting the special license plate must submit proof to TRD that he has retired from active employment as a firefighter.
3. The bill seems clear that the retired firefighter license plate is for retired New Mexico firefighters (professional) and is not intended for retired volunteer firefighters. Volunteer firefighters have their own specialty plate.

### **FISCAL IMPLICATIONS**

The portion of the fee that MVD receives (\$10) would cover the cost of the license plate in the out years, but the initial costs for production would need to be absorbed by the division.

TRD and the Department of Labor's Bureau of Economic Research and Analysis say that approximately 1,000 professional firefighters live in New Mexico. The fiscal impact in the first year may involve a few hundred license plates: current retirees swapping their firefighter plates for the new "retired" firefighter license plates. After the first year, the recurring demand and revenue generated from these license plates would probably involve fewer than 100 plates per year (less than \$2,500).

It is unclear whether demand would outweigh the costs of manufacturing the retired firefighter license plates given the number of firefighters retiring each year.

### **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 464, Special Plates for Retired State Police
- 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
- 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

**TECHNICAL ISSUES**

Under current law, retired firefighters may keep their professional firefighter license plate. Senate Bill 496 would require them to surrender their professional firefighter plate upon retirement, but no effective date or transition provisions are provided for retired firefighters currently carrying their professional firefighter plates. Technically, those retired firefighters might be in violation of the law if and when this bill is effectuated.

**CMH/njw**