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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/06

SPONSOR Sandoval LAST UPDATED _____ HB 520

SHORT TITLE Special Patriot License Plate SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Companion to SB 515

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
*	\$1.4 – \$7.0	\$1.4 – \$7.0	Recurring	Motor Vehicle Suspension Fund (\$7 per plate)
*	\$1.6 – \$8.0	\$1.6 – \$8.0	Recurring	Armed Forces Veterans License Fund (\$8 per plate)

(Parenthesis () Indicate Expenditure Decreases)

*No revenue is anticipated for FY06, because the commemorative license plate has not been designed or produced. The FY07 and FY08 revenues are estimated on sale of 200 to 1,000 Special Patriot Registration Plates.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Transportation (DOT)
 Department of Veterans' Services (DVS)
 Aging and Long Term Services Department (ALTSD)

No Response Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

HB 520 mandates the creation of a special patriot registration plate to be issued upon request by the Motor Vehicle Division of the Taxation and Revenue Department for an additional one-time fee of \$25. The revenue from the special patriot registration plate fee would be distributed as follows:

- \$10.00 to be retained by the MVD for the manufacture and issuance of the registration plates
- \$7.00 to the state treasurer for credit to the motor vehicle suspense fund for distribution in accordance with Section 66-6-23 NMSA 1978; and
- \$8.00 to the state treasurer for credit to the armed forces veterans license fund for distribution pursuant to Section 66-3-419 NMSA 1978, a portion of which goes to fund senior centers.

SIGNIFICANT ISSUES

According to DVS, this plate would offer those who do not qualify for an Armed Forces Veteran Plate an opportunity to show their pride and patriotism while at the same time, supporting the Department of Veterans Services, who will receive \$8.00 from each plate to fund outreach programs throughout New Mexico.

The \$25 fee is waived in subsequent years wherein the vehicle owner is issued a validating sticker in lieu of the issuance of a Special Patriot Registration Plate.

ADMINISTRATIVE IMPLICATIONS

The current revenue system has only three more revenue codes left to use. Each new type of revenue distribution will require its own revenue code. TRD is currently working on updating the system to avoid this limitation. If more than three special plates are mandated by legislation during this session, extensive work will have to be done to the revenue system in order to accommodate the additional plates

According to DOT, because an effective date is not specified in the bill, the law would be effective 90 days following adjournment (May 19, 2006). Any effective date falling on any day other than the first of the month may be difficult to administer should the special plates become available to the public prior to that date. An effective date corresponding to the first of June 2006 or any first day of the month thereafter would facilitate transitioning to administer the new law.

The Department of Veterans Services along with the Motor Vehicle Division would need to design the plate. DVS would also assist with the promotion of this plate.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Companion to Senate Bill 515.