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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/11

SPONSOR Leavell LAST UPDATED 02/26/11 HB \_\_\_\_\_

SHORT TITLE Lea County Energyplex License Plates SB 130/aSFC

ANALYST Lucero

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	\$2.5 - \$25.0	Recurring	MVD Operating Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of SFC Amendment

The Senate Finance Committee (SFC) Amendment to Senate Bill 130 increases the fee identified in the original bill from \$10.00 to \$25.00.

#### Synopsis of Original Bill

Senate Bill 130 enacts a new section of the Motor Vehicle Code to provide for a special “Lea County EnergyPlex” registration plate with a logo indicating that the recipient is a resident of Lea County and shall adopt procedures for application for and issuance of the special plate.

A fee of \$10.00 for the initial issuance of the special plate and the same fee for each subsequent year in which the owner wishes to retain and renew. This fee is in addition to the regular registration fees imposed, and revenue from the fee is directed to the Motor Vehicle Division (MVD) to offset the cost of producing the special registration plate.

### FISCAL IMPLICATIONS

The SFC amendment increases the fee from \$10.00 identified in the original bill to \$25.00 to address the cost of manufacturing and issuing the plate. This fee is in addition to regular motor vehicle registration fees.

The appropriation estimates in the table above reflects an estimate as if 100 to 1,000 registration plates were issued. It is difficult to estimate the number of people who would purchase this specialized plate.

### **Continuing Appropriations language**

**This bill provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory, as earmarking reduces the ability of the legislature to establish spending priorities.**

### **ADMINISTRATIVE IMPLICATIONS**

The Motor Vehicle Division would have a minimal operating budget impact related to plate and administrative cost; however, the \$10 per plate allocated to MVD would cover this expense. The bill would require MVD and Information Technology Division (ITD) personnel to revise MVD information technology (IT) systems to account for an additional plate. The Financial Distributions Bureau (FDB) would need to change the MVD distribution worksheets to add the transaction fees. FDB would need to establish a new general ledger account in SHARE.

Implementation of this bill will have a low impact for ITD, including MVD 2.0 (120 hrs), MVD mainframe batch (60 hrs), MVD mainframe MVRO (60 hrs), and user acceptance testing (40 hrs), for a total of 280 hours @\$50 per hour = \$14,000. However, the appropriation would cover the additional administrative cost.

Direct costs to MVD for creating and stocking a new special plate include staff time at \$350, plate design at \$100, and the cost of manufacture at about \$495 for every 100 plates.

### **RELATIONSHIP**

Relates to Senate Bill 92 “Air Medal Recipient License Plates”, Senate Bill 140 “Blood Donor Recognition License Plates”, and House Bill 114 “Albuquerque Public Schools License Plate.”

### **ALTERNATIVES**

Instead of creating a new specialty plate, it may be possible to add a “Lea County EnergyPlex” label to a license plate. This might be done administratively by MVD.

DL/bym:mew