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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/11

SPONSOR Martinez, R. LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Registration Plate for Disabled Veterans SB 302

ANALYST Lucero

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	(\$258.0)	(\$258.0)	Recurring	State Road Fund
	(\$88.0)	(\$88.0)	Recurring	Local Governments
	(\$3.0)	(\$3.0)	Recurring	Litter Control and Beautification Fund
	(\$3.0)	(\$3.0)	Recurring	Recycling and Illegal Dumping Fund
	(\$6.0)	(\$6.0)	Recurring	Highway Infrastructure Fund
	(\$20.0)	(\$20.0)	Recurring	TRD-MVD Operating Funds
	(\$6.0)	(\$6.0)	Recurring	County and Municipal MVD Agents
	<b>(\$384.0)</b>	<b>(\$384.0)</b>	<b>Recurring</b>	<b>Total</b>

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
		\$25.0		\$25.0	Non-Recurring	MVD Operating Funds

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

Veteran's Services Department (VSD)

## SUMMARY

### Synopsis of Bill

Senate Bill 302 proposes to amend Section 66-3-412 NMSA 1978 of the Motor Vehicle Code to change the eligibility requirements for obtaining a disabled veteran registration plate. Under current law a veteran applying for this plate must be 100% disabled, this bill proposes to allow a veteran that is 50% or more disabled qualify for this plate.

The bill also defines the term “veteran” to mean a citizen of the United States who was regularly enlisted, drafted, inducted or commissioned, who was accepted for and assigned to active duty in the armed forces of the United States and who was not separated from such service under circumstances amounting to dishonorable discharge.

## FISCAL IMPLICATIONS

According to the Department of Veterans’ Services, there are currently 6,000 veterans eligible for the 100% disabled veterans’ plate. An additional 8,000 veterans would be eligible if the requirement is reduced from 100% to 50% disabled. Because registration fees as well as plate fees are waived, these plates are highly desirable and would likely be acquired (as is currently the case) by all of the eligible veterans. Statute allows two disabled veteran plates per disabled veteran.

This analysis assumes 80% of newly eligible veterans switch at their first vehicle registration renewal opportunity (in FY2012 and FY2013), and the remaining 20% at the second opportunity; and that all switch two vehicles to the free disabled veteran plate and registration. The actual fiscal year revenue pattern may vary somewhat from that shown in the table, since it is uncertain how many new qualifiers may have chosen the two-year registration option for their current vehicle registration.

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Number of Disabled Veterans	3,200	3,200	4,000	4,000
Total Registrations	6,400	6,400	8,000	8,000
Average Registration Fee	\$60	\$60	\$60	\$60
Total Revenue Loss	\$384,000	\$384,000	\$480,000	\$480,000

“Average registration fee” includes all fees associated with a vehicle registration transaction. The revenue breakdown by fund (shown on page 1) is per Sections 66-2-16, 66-6-2(A), 66-6-6.1, 66-6-6.2 and 66-6-2(D).

## ADMINISTRATIVE IMPLICATIONS

The Motor Vehicle Division (MVD) would suffer a non-recurring administrative cost to produce more disabled veteran plates and forms. In addition, MVD also projects a recurring negative impact of \$50.0 per fiscal year in lost fees to cover clerk and processing costs of disabled veteran plates and registrations.

**TECHNICAL ISSUES**

The definition of a “veteran” (page 2, line 25 through page 3, line 5) is the definition contained in the Veterans’ Services Department Act, Section 9-22-3(C) NMSA 1978. It may be more appropriate to refer to the definition of “veteran” in Section 9-22-3(C) NMSA 1978 than have to amend Section 66-3-412 NMSA 1978.

The way that the bill reads on page 2 lines 1 and 2, “fifty percent or more disabled while serving in the armed forces of the United States”, does not clearly state whether the veteran has to be considered disabled by the VA or if this disability can be determined by another source such as a private doctor or by the Social Security Administration.

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