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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/21/11

SPONSOR Asbill LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Golf Tourism License Plates SB 492

ANALYST Kleats

### APPROPRIATION (dollars in thousands)

Appropriation			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	\$1.0	\$2.0	Recurring	MVD Operating Budget
	\$2.5	\$5.0	Recurring	Tourism Department

(Parenthesis ( ) Indicate Expenditure Decreases)  
 Duplicates HB 418

### REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Non-Rec	Fund Affected
FY2011	FY2012	FY2013	FY2014	FY2015		
	\$1.0	\$2.0	\$3.0	\$3.0	Recurring	MVD Operating Budget
	\$2.5	\$5.0	\$7.5	\$7.5	Recurring	Tourism Department

(Parenthesis ( ) Indicate Revenue Decreases)  
 Duplicates HB 418

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

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		Minimal*	Minimal	Minimal	Recurring	TRD-ITD and TRD-MVD Operating Budgets

(Parenthesis ( ) Indicate Expenditure Decreases)  
 \*Refer to Administrative Implications

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

Tourism Department (TD)

## SUMMARY

### Synopsis of Bill

Senate Bill 492 (SB 492) would authorize the Motor Vehicle Division (MVD) to issue a special registration plate with a logo as specified in Section 66-3-424 NMSA 1978 indicating support for golf tourism in New Mexico. The annual fee for the plate would be \$35.00 in addition to the regular motor vehicle registration fees. Revenue from the additional fee would be distributed as follows:

- 1) \$10.00 would be retained by, and appropriated to, the department to defray the cost of making and issuing the golf tourism special plate; and
- 2) \$25.00 would be distributed and appropriated to the tourism department for promotion of golf tourism.

## FISCAL IMPLICATIONS

TRD estimates based on past experience with similar special plates that approximately 100 new plates would be issued in the first few years, with about 100 renewals increasing to 200 annual renewals in subsequent years. The calculations assume 100 new plates in each year; 100 renewals in FY13; and 200 renewals in each year after FY13. Multiplying these totals times the \$35 fee and then accounting for the distribution provides the estimates above.

### Continuing Appropriations language

This bill provides for continuing appropriations distributed from the assessed plate fee. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

## PERFORMANCE IMPLICATIONS

The Tourism Department notes nearly all of its performance measures are related to increasing visitation to New Mexico. The TD asserts the revenue and exposure provided by these special plates will contribute to those measures.

## ADMINISTRATIVE IMPLICATIONS

According to TRD, implementation of this bill will have a low impact for IT including modifications to MVD 2.0 (120 hrs), MVD Mainframe Batch (60 hrs), MVD Mainframe MVRO (60 hrs), and User Acceptance Testing (40 hrs). TRD's estimated total cost for implementation is \$14,000 assuming a rate of \$50/hour for 280 hours of work.

TRD notes manufacturing cost to MVD is \$4.95 per plate plus shipping and handling expenses.

## CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 492 duplicates HB 418.

Relates to HB-114 “Albuquerque Public Schools License Plate”, HB-420 “West Las Vegas Public Schools License Plates”, SB-92 “Air Medal Recipient License Plates” , SB-130 “Lea County Energyplex License Plates”, SB-140 “Blood Donor Recognition License Plates”, SB-298 “Special Big Game Hunting Registration Plate”, SB-302 “Registration Plate for Disabled Veterans” and SB-350 “Special Girl Scout Registration Plate”.

### **OTHER SUBSTANTIVE ISSUES**

TD asserts investments in golf tourism may be one of the highest return on investments that can be made anywhere in the New Mexico economy given the demographics of the golf-oriented tourist. TD cites a 2006 New Mexico State University study revealing golf and golf tourism contributed nearly \$1 billion to the state’s economy in 2005.

TD identifies a number of events it supported or initiated in recent years designed to encourage golf tourism to New Mexico, including the Tight Lies Tour, the Adams Golf Tour and the New Mexico Shootout events in Elephant Butte, featuring popular players for the Ladies Professional Golf Tour Association.

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