

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 3/15/17

SPONSOR SFC LAST UPDATED \_\_\_\_\_ HB 36, 186 & 405/SFCS

SHORT TITLE Special Registration Decals SB \_\_\_\_\_

ANALYST Romero

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
\$1.5	\$1.5	\$1.5	Recurring	TRD - MVD
\$1.3	\$1.3	\$1.3	Recurring	State Treasurer Peace Officers' Survivors Fund
\$0.8	\$0.8	\$0.8	Recurring	LEDA
\$1.3	\$2.5	\$3.8	Recurring	NMSU – Department of Agriculture

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates, Relates to, Conflicts with, Companion to:

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department

### SUMMARY

#### Synopsis of Bill

Senate Finance Committee Substitute for House Bills 36 and 186 and Senate Bill 405 creates two new sections in the Motor Vehicle Code, creating a standardized registration plate for worthy public purposes and provides for a special decals for each unique worthy public purpose.

For a fee of ten dollars (\$10.00), which shall be in addition to regular registration fees, the department will issue a standardized registration plate with space for a special registration decal that may be authorized by a statute. The department will only issue such a decal if the person submits proof that the person is eligible to receive the special decal requested. The collected for each registration plate will be kept by the department for the manufacture and issuance costs.

The license plate issued to display decals of a worthy public purpose shall:

1. Display the colors of the state flag, with red lettering on a yellow background;
2. Display the phrases “New Mexico USA” and “Land of Enchantment”;
3. Provide a space for applying a special registration decal, centered at the left edge of the plate;
4. Provide a vehicle registration number, to be assigned by the division that consists of five alphanumeric characters displayed to the right of the special decal area.

The design of the special registration decals shall be left to the discretion of the Motor Vehicle Division (MVD) in consultation with the specific worthy public purpose. The worthy public purpose entity, prior to the effective date of the authorizing statute, shall:

1. Provide evidence to MVD that it will generate a minimum number of prepaid applications as determined by the division for the decal;
2. Provide prepayment to the division in an amount sufficient to cover the initial order for the special registration decal;
3. Provide a sample of the requested artwork design in the format specified by the manufacturer for the decal;
4. When the authorizing statute includes revenue-sharing with distribution directed to a group or fund, show that the recipient is a governmental entity or a fund authorized for the use of a governmental entity.

The bill also allows the department to develop rules for implementing this section of law.

The bill also adds another two sections of law. The first section is for authorizing statutes that allow the department to issue special registration decals with one-time fees shared with the worthy public purpose. The second section is for authorizing statutes that allow the department to issue registration decals with annual renewal fees distributed to the worthy public purpose.

For a fee of twenty-five dollars (\$25), one-time, the department shall issue a fallen officer family support special decal and the amount collected will be distributed to the state treasurer for credit to the peace officers’, New Mexico mounted patrol members’ and reserve police officers’ survivors fund. For a fee of fifteen dollars (\$15), one-time, the department shall issue an energyplex decal and the amount collect will be distributed to the economic development department for projects developed under the Local Economic Development Act.

For an annual fee of twenty-five dollars (\$25) the department shall issue a decal indicating support for FFA, formerly known as Future Farmers of America and the amount collected shall be distributed to the Board of Regents at New Mexico State University for the Department of Agriculture to fund statewide programs for active Future Farmers of America chapters.

## **FISCAL IMPLICATIONS**

Revenue impact assumes 50 of each type of decal issued annually and a total of 150 of the new special decal registration plates issued annually. The impact also assumes all drivers issued decals requiring annual renewal will continue to apply for renewal through fiscal year 20.

Continuing Appropriations language

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

**SIGNIFICANT ISSUES**

During the course of the 2017 regular session at least 10 bills were introduced to create new registration plates to recognize many different worthy public purposes and under current law there are approximately 47 unique registration plate types. This bill reduces waste of creating brand new registration plates for new worthy public purposes. Instead, one plate is created by the department, reducing their costs and systems updates and allowing future legislation to create decals for specific worthy public purposes.

IR/