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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/19
 LAST UPDATED 2/21/18

SPONSOR Ruiloba/Rehm HB 167/aHTPWC/aHF1#1

SHORT TITLE Periodic License Plate Replacement SB _____

ANALYST Chabot

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
	\$2,260.8	\$2,260.8	Recurring	OSF—License Plate Fees
	(\$2,260.8)	(\$2,260.8)	Recurring	OSF— TRD/MVD Operating Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HF1#1 Amendment

The House Floor amendment to House Bill 167 inserts, “66-3-2” on page 2, line 19.

Synopsis of HTPWC Amendment

The House Transportation, Public Works & Capital Improvements Committee amendment to House Bill 167 makes fees collected non-reverting to the general fund and changes the effective date of the bill to January 1, 2020.

Synopsis of Original Bill

House Bill 267 requires the periodic replacement of vehicle license plates not to exceed 8 years. When a plate is renewed after 7 years, TRD shall issue a replacement plate before issuing the validating sticker. In addition, the vehicle owner can request a replacement plate by surrendering the existing plate and receiving a duplicate or replacement plate. Registration plate fees will be

increased by \$2.00 for each year covered by the registration to be retained by the TRD to defray the costs of making and issuing registration plates.

FISCAL IMPLICATIONS

The bill authorizes the increase in vehicle license plate registration fees of \$2 per year to cover the cost of replacing license plates. TRD estimates \$2.26 million will be earned annually as a result of the increased fee. TRD estimates it will have to replace approximately 2.4 million plates over the eight year period. However, the replacement cost “cannot be determined at this time.” License plate costs varies with the price of aluminum and have ranged from a low of \$1.24 to \$5.35 per plate. These costs could go up with the tariff issues on aluminum currently in place. In addition to replacement costs for renewable license vehicles, costs for replacement of permanent and government plates need to be covered by the additional fee.

SIGNIFICANT ISSUES

License plates become faded over-time because of the intensity of the sun and other road hazards. Periodic replacement will provide for readable plates on vehicles. This will assist law enforcement officials in tracing vehicle registrations when stopping a motor vehicle. In addition, TRD states the condition of license plates is a reflection of New Mexico and faded and worn plates reflect negatively on it.

TECHNICAL ISSUES

The language in Section E, page 2, line 21-24, states TRD must issue a replacement plate prior to issuing a validating sticker. The language should be changed to allow these actions to take place at the same time.

TRD recommends the new material on page 3 of the bill include the statement that fees collected for license replacement are nonreverting.

GAC/gb/sb