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FISCAL IMPACT REPORT

ORIGINAL DATE 2/16/19

SPONSOR SCORC LAST UPDATED _____ HB _____

SHORT TITLE Standardized License Plate & Tribal Stickers SB 273/SCORC

ANALYST Leger

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
	\$0.0 - \$0.1	\$0.0-\$0.1	Recurring	TRD – MVD Operating

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$0.0-\$0.2	\$0.0	\$0.0-\$0.2	Nonrecurring	TRD – Operating

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Indian Affairs Department (IAD)

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Corporations and Transportation Committee Substitute for Senate Bill 273 creates a standardized registration plate to accommodate special registration decals designed by New Mexico’s Indian nations, tribes, pueblos, and creates a Navajo code talker special registration plate. The effective date of the bill is July 1, 2019.

FISCAL IMPLICATIONS

For a fee of \$10.00, in addition to regular motor registration fee, a tribally designed special

registration decal may be issued. In addition, the department shall establish and issue a standardized special registration plate with a logo related to Navajo code talkers.

According to TRD, combined with the cost of envelopes, registration stickers and postage, the cost of the program will be equal to the revenue generated. If, however, a sticker design uses more than one color, the price will increase and will likely exceed any revenue generated and distributed to MVD. Furthermore, implementation of this bill will have a moderate impact on the information technology division of TRD. Total time to complete, test, and implement changes is approximately 15 weeks with a cost of \$153,488.

SIGNIFICANT ISSUES

According to TRD, it appears as though this legislation changes the process for authorizing new plate types. Currently, new plates are created statutorily. This bill seems to shift that responsibility to a type of application that can be made to MVD for the purposes of designing, manufacturing and distributing a decal rather than creating a new plate type. This would require legislators to direct future requests for special plates to MVD rather than introduce new legislation. It will not prevent, however, the legislature from considering new plate types for causes of particular significance.

IAD reports, tribes across the United States have, through their own tribal tax commissions, developed personalized tribal license plates. Funds generated through this process generally create revenue for tribal programs. Although New Mexico nations, tribes, and pueblos (collectively referred to as “NTPs”) have not created specific tax codes for the registration of their citizens’ vehicles, this could still be a consideration for them as an exercise of tribal sovereignty. Furthermore, the bill does not indicate how the \$10 registration fee would benefit tribal communities. As the bill is drafted, it is assumed the fee would be a revenue to MVD.

ADMINISTRATIVE IMPLICATIONS

TRD reports, this legislation enables the creation of a standard plate that can be customized by applying a tribally designed special registration decal. This type of plate has the potential to limit the number of special plates that are authorized by statute in the future, which lends itself to greater efficiencies at MVD. Rather than having to maintain an inventory of plates, MVD will maintain a decal inventory.

OTHER SUBSTANTIVE ISSUES

MVD is contemplating central issuance of license plates, which would eliminate the need for all but a limited supply of license plates at its field offices and partner locations. Under such a delivery model, the vendor ships license plates directly to the vehicle owner along with the appropriate registration sticker. MVD recommends that the decals contemplated by this legislation be affixed by the license plate vendor prior to delivery to the vehicle owner. Otherwise, placement of the proposed decals will be inconsistent and may fall outside the coordinates set forth in the bill.

Consideration should be given to the fact that some federally recognized NTPs in New Mexico may be sensitive to the use of their established trademarks and/or logos and may require consultation and collaboration for the use of such trademarks and/or logos.

Special tribal registration decals and plates create a unique identifier that would be available to every person registering a vehicle in New Mexico. A public declaration of pride in New Mexican culture is created by purchasing a tribal registration decal or Navajo Code Talker license plate.

The bill sponsor may wish to consider creating four (4) license plates: 1) regular vehicle plate; 2) regular plate with limited mobility logo; 3) motorcycle plate; and 4) motorcycle plate with limited mobility logo.

AMENDMENTS

TRD reports, the effort and estimated 15 weeks needed to implement, the effective date of July 1, 2019 is not feasible. A recommended effective date is 10/01/2019.

JL/al/gb