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FISCAL IMPACT REPORT

ORIGINAL DATE 03/09/21

SPONSOR SFCS LAST UPDATED _____ HB _____

SHORT TITLE Make-A-Wish License Plate SB 404/SFCS

ANALYST Graeser/Nichols

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY21	FY22	FY23	FY24	FY25		
	\$0.55	\$0.55	\$0.55	\$0.55	Recurring	TRD operating

Parenthesis () indicate revenue decreases.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$25.0		\$25.0	Nonrecurring	TRD Operating

Parenthesis () indicate expenditure decreases.

Duplicates, Relates to, Conflicts with, Companion to: SB270 provides for generic license plate for worthy causes. The \$10 fee is retained by the Department. SB379 provides for a special miner's license plate with \$10 of the additional fee retained by the department and the remaining \$10 transferred to the Miner's Hospital in Raton for research.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department
Motor Vehicle Division (MVD)

SUMMARY

Synopsis of Bill

The Senate Finance Committee substitute for Senate Bill 404 allows a special registration plate for supporters of Make-A-Wish New Mexico. The plates will be available for a \$10 fee, which shall be charged in addition to the regular motor vehicle registration fees. The revenue from the fee imposed for issuance of this special plate is to be retained by the Taxation and Revenue Department

(TRD) for the cost of manufacturing and issuing this special registration plate. This bill specifies that the fee is to be waived for each registration period that a validating sticker is issued instead of a Make-A-Wish New Mexico support registration plate.

There is no effective date of this bill. It is assumed that the effective date is 90 days after this session ends (June 18, 2021).

FISCAL IMPLICATIONS

TRD estimates additional revenue of \$550 per year, based on an assumption of 100 Make-A-Wish License Plates being issued annually. The impact was determined by taking the revenue increase generated from the \$10 fee minus the total cost to design, produce and deliver the plate, resulting in an annual net revenue estimate.

TRD estimates a cost of approximately \$25 thousand to develop, test, and implement the new license plate.

SIGNIFICANT ISSUES

Under SB404/SFCS, New Mexico drivers would be able to show support for Make-A-Wish New Mexico, which grants wishes of children diagnosed with critical illnesses. The bill does not provide for any financial support from license plate proceeds to Make-A-Wish New Mexico, as the \$10 fee is retained by TRD. While providing direct support to a nonprofit organization could conflict with the state's anti-donation clause, many of the state's special license plates generate fees for state agencies, which use the fee revenue to support a specific cause. For example, an autism awareness license plate incurs a fee of \$35, of which \$25 is appropriated to the Department of Health to fund autism research, outreach, and education, and proceeds from a Route 66 commemorative license plate generate a similar fee for the Department of Transportation to fund the revitalization and preservation of historic Route 66 in New Mexico.

ADMINISTRATIVE IMPLICATIONS

TRD notes a minimal impact:

This bill requires changes to vehicle registration fee calculations and distributions.

Application and configuration changes are required to MVD's Tapestry system, and fee and revenue distribution changes are required for new recipients. The estimated time to develop, test and implement the changes is approximately 480 hours or 12 weeks for an estimated \$25 thousand of staff workload cost.