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## FISCAL IMPACT REPORT

SPONSOR	<u>Berghmans/Jaramillo</u>	LAST UPDATED	<u>02/27/25</u>
		ORIGINAL DATE	<u>02/12/25</u>
SHORT TITLE	<u>Look Twice for Motorcycle License Plate</u>	BILL	Senate Bill
		NUMBER	<u>236/aSTBTC</u>
		ANALYST	<u>Montano</u>

### REVENUE\* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
Fee	At least \$3.2**	At least \$4.2**	At least \$5.2**	At least \$6.2**	At least \$7.2**	Recurring	Motorcycle Training Fund (NMDOT)
Fee	At least \$0.8	At least \$0.8	At least \$0.8	At least \$0.8	At least \$0.8	Recurring	MVD Suspense Fund (TRD)

Parentheses ( ) indicate revenue decreases.

\*Amounts reflect most recent analysis of this legislation.

\*\*Revenue totals are reflected if a batch of 100 license plates is sold, and if every license plate buyer renews their license plate every year.

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

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
TRD/MVD	No fiscal impact	\$31.9	No fiscal impact	\$31.9	Nonrecurring	MVD Suspense Fund
TRD/MVD	No fiscal impact	At least \$0.8	At least \$0.8	At least \$1.6	Recurring	MVD Suspense Fund
Total	No fiscal impact	At least \$32.7	At least \$0.8	At least \$33.5		MVD Suspense Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

## Sources of Information

LFC Files

Agency Analysis Received From  
Taxation and Revenue Department (TRD)

## SUMMARY

### Synopsis of STBTC Amendment to Senate Bill 236

The Senate Tax, Business and Transportation Committee amendment to Senate Bill 236 (SB236) increases the amount the Taxation and Revenue Department (TRD) retains per plate from \$7 to \$8 and lowers the amount the Department of Transportation (NMDOT) collects from \$33 to \$32. This amendment allows for TRD to generate enough revenue to cover the costs of manufacturing

the license plate, while still generating revenue for the motorcycle training fund. This amendment also alters the years when TRD is allowed to stop manufacturing the license plate if the sales drop below 50 percent of the previous two-year average.

## **Synopsis of Senate Bill 236**

Senate Bill 236 (SB236) expands the Look Twice for Motorcycles special registration plate program to include motorcycles, in addition to regular motor vehicles. The bill aims to promote motorcycle safety awareness by offering a distinct motorcycle-specific plate through the Motor Vehicle Division (MVD). Vehicle owners can apply for the plate at an initial cost of \$45 for motor vehicles and \$40 for motorcycles, with annual renewal fees of \$15 and \$10, respectively.

Revenue generated from these plates is allocated to cover MVD production costs, while the remaining funds are appropriated to the Department of Transportation's (NMDOT) Motorcycle Training Fund. These funds will support statewide driver awareness education and motorcycle safety training programs. The bill also includes a review provision, requiring MVD to assess plate issuance numbers annually beginning July 1, 2026. If demand for either the motor vehicle or motorcycle version of the plate falls below 50% of the average issued in fiscal years 2024 and 2025, MVD will discontinue the plate for that category.

With an effective date of July 1, 2025, SB 236 seeks to enhance public awareness of motorcycle safety on New Mexico's roads while ensuring financial sustainability for safety education initiatives.

## **FISCAL IMPLICATIONS**

TRD cannot accurately predict how many of these motorcycle plates will be requested. TRD can report the total cost of manufacturing and distributing each license plate will be about \$10, which is covered by the \$8 that TRD retains from the \$40 initial fee. TRD highlights:

Creation of the new specialty plate must be in accordance with existing state statute under Section 66-3-424D2 NMSA 1978, which states that entities registering a registration plate with a logo "shall provide a prepayment to the division in an amount sufficient to cover the plate and logo costs of the initial order." Typically, the initial fee to purchase plates is \$800; \$250 for design/artwork costs while \$5.50 is charged for each plate in the initial batch of 100.

If 100 of these plates were sold, then TRD would generate \$800 in revenue, which is sufficient to cover an initial purchase of \$800. A projection for the implementation of SB236 is that TRD will not generate any revenue by producing and distributing this license plate.

The NMDOT motorcycle training fund will generate \$32 in revenue per plate sold and an additional \$10 for the renewable license fee. If TRD only creates one batch of 100 license plates, then NMDOT will generate \$3,200 in revenue from the initial fee and a subsequent \$1,000 for every year if all 100 license plate owners renew their license plate. If TRD continues to sell at least 100 license plates a year, then each subsequent year will experience \$1,000 more of renewable license fees compared to the previous year due to there being 100 new license plate owners. This recurring source of revenue is just a floor, and NMDOT should project at least \$3,200 of revenue generated for FY26, \$4,200 for FY27, \$5,200 for FY28, and so on. The limit of potential revenue generated for NMDOT is dependent on the total number of batches of

license plates TRD makes.

TRD estimates a \$31.9 thousand nonrecurring cost to its operating budget for the implementation of SB236 to implement and test the changes required in the motorcycle special plate fee process, registration fee, and workload cost. TRD also estimates a recurring cost of at least \$800 per 100 license plates, if it needs to make at least 100 per year.

## **SIGNIFICANT ISSUES**

TRD is no longer losing revenue with the amended version of SB 236; however, TRD is still not generating any revenue from producing this license plate. TRD would be at net zero if all 100 license plates were sold per batch but will suffer a loss of revenue if the entire batch of license plates is not sold. If TRD retained \$10-\$12 per license plate, then if only 80 percent of the batch was sold, TRD will still generate \$800-\$960 of revenue. This \$10 - \$12 range would be consistent with the other proposed license plates in this legislative session.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB236 relates to at least eight other bills that create new license plates:

- House Bill 23, “Iron Horse” motorcycle license plates;
- House Bill 474, “Trail Life” plate to generate additional revenue for the state parks;
- House Bill 480, suicide prevention plate to generate additional revenue for the Behavioral Health Services Division of the Health Care Authority;
- House Bill 507, Albuquerque Isotopes license plate to generate additional revenue for the Carrie Tingley crippled children's hospital;
- House Bill 580, elk license plate to generate additional revenue for the game protection fund;
- Senate Bill 327, “Lowrider Capital” to generate additional revenue for the Cultural Affairs Department;
- Senate Bill 377, New Mexico United license plate to generate additional revenue for Department of Tourism;
- Senate Bill 501, Make-A-Wish license plate to generate additional revenue for the Department of Health.

## **TECHNICAL ISSUES**

TRD said:

The process of creating the artwork for specialty plates as well as the approval processes both internal and with law enforcement can be lengthy. MVD requests that the effective date of this bill be January 1, 2026, instead of July 1, 2025.