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FISCAL IMPACT REPORT

SPONSOR	House Rural Development, Land Grants and Cultural Affairs Committee	LAST UPDATED	2/2/24
		ORIGINAL DATE	1/31/24
SHORT TITLE	Special License Plate Procedures	BILL NUMBER	CS/House Bill 251/HRDLCS
		ANALYST	Torres, J.

REVENUE* (dollars in thousands)

Type	FY24	FY25	FY26	FY27	FY28	Recurring or Nonrecurring	Fund Affected
MVD	Indeterminate but minimal gain	Recurring	MVD Suspende Fund-Smokey Bear Plates				

Parentheses () indicate revenue decreases.
*Amounts reflect most recent analysis of this legislation.

ORIGINAL ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
MVD Suspende Fund – Staff Workload		\$26.6	No fiscal impact	\$26.6	Nonrecurring	Other state funds

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
New Mexico Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HRDLC Substitute for House Bill 251

The House Rural Development Land Grants and Cultural Affairs Committee (HRDLC) substitute for House Bill 251 (HB251) would require the Motor Vehicle Division (MVD) of the Taxation and Revenue Department (TRD) to apply for a long-term license from the U.S. Department of Agriculture Forest Service (USDA) to use the image and name of Smokey Bear

for a new specialty plate. MVD would issue the Smokey Bear fire prevention special registration plate for \$50, in addition to regular motor vehicle registration fees. MVD would also charge a \$40 annual renewal fee. The department would retain \$12 from the registration fee to defray costs. The remaining initial registration fee and the entire subsequent renewal fee would be distributed to the Energy, Minerals and Natural Resources Department (EMNRD) for forest fire prevention. Beginning July 1, 2027, and annually thereafter, MVD would compare the number of Smokey Bear plates issued with the number of those issued in 2025 and 2026. As of September 1, 2027, and annually thereafter, MVD would stop issuing Smokey Bear plates if the amount issued that year is less than 50 percent of the average number of plates issued in 2025 and 2026.

The effective date of this bill is July 1, 2024.

FISCAL IMPLICATIONS

MVD's revenue expectations are indeterminate but would likely result in a minimal gain. MVD estimates implementation costs of \$26.6 thousand. It is hoped that the revenue will help offset the cost.

MVD states:

Implementation of this bill will have a moderate impact on TRD's Information Technology Division. The estimated time to develop, test and implement the changes is approximately 480 hours or 12 weeks for an estimated \$26,640.00 of staff workload cost.

This bill requires application and configuration changes to the system related to the vehicle special plate fee process, registration fee calculation for the first-time plate issuance. Distribution fees of \$12.00 shall be retained by MVD. The remaining \$38.00, and the yearly plate renewal fees of \$40.00, will be distributed to EMNRD for forest fire prevention.

SIGNIFICANT ISSUES

In analysis of similar legislation from 2023, the Tourism Department noted New Mexicans' affection for Smokey Bear and the need for public outreach on forest fires:

Smokey Bear is a beloved figure in New Mexico history and a special registration plate is a way to export this aspect of New Mexico culture.

As the last year has shown, forest fires do an incredible amount of damage, not only to our beautiful outdoor spaces, but also to businesses and homes affected by them. The damage to our tourism industry is long-lasting, and educational activities related to forest fire prevention are an important aspect of conservation.

MVD states:

This bill does not specifically say that the Smokey Bear plate can be issued to motorcycles as well as passenger vehicles. If it is the intent to allow the issuance of the Smokey Bear to be issued to motorcycles, a new statute specifically addressing this addition should be enacted to be constant with other specialty plates offered to both vehicles and motorcycles. An example would be the Children Trust Fund plate, under Sections 66-3-420 and 66-3-420.1, NMSA 1978.

PERFORMANCE IMPLICATIONS

MVD asks that the bill's effective date be moved to July 1, 2025. This will allow sufficient time for the lengthy approval and manufacturing processes. The Smokey Bear plate will likely have additional scrutiny. MVD hopes to begin distribution as of July 1, 2026.

JT/rl/hg