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FISCAL IMPACT REPORT

SPONSOR Duhigg LAST UPDATED _____
ORIGINAL DATE 2/7/2025
BILL
SHORT TITLE Certain Characters on License Plates NUMBER Senate Bill 128
ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
TRD	No fiscal impact	\$16.0	No fiscal impact		Nonrecurring	Other state funds

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 23 and Senate Bill 236

Sources of Information

LFC Files

Agency Analysis Received From
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Senate Bill 128

Senate Bill 128 (SB128) amends Section 66-3-15 NMSA 1978 as it relates to the issuance of questionable vehicle plates or plates that cannot be easily differentiated. The bill would prohibit the Motor Vehicle Division (MVD) from issuing special plates with characters that the division determines are derogatory, offensive, misleading, obscene, vulgar, sexually explicit or profane, or that promote drugs, alcohol or other intoxicating substances or promote violence or gang affiliation. SB128 also grants MVD authority to refuse to issue plates that cannot easily be differentiated.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The Taxation and Revenue Department (TRD) says updating the denial letter with reasons for the denial would require roughly \$16 thousand in staff resources in FY26.

SIGNIFICANT ISSUES

The bill adds rules to help MVD with questionable plate requests. If a request is denied, MVD says the customer will be provided with a denial letter and explanation, referencing this statute.

MVD explains that it currently has in place an internal procedure establishing criteria for denial of certain prestige plate requests. However, this procedure does not carry the weight of statute. MVD occasionally must deny plate requests for the reasons this bill would codify in law. Additionally, the bill gives MVD the authority to deny requests for plates that are difficult to distinguish from other existing plates such as LASS0 versus LASSO or B00K versus BOOK.

SB128 is unclear as to whether, if a plate is denied, the applicant is given an opportunity to choose an alternative, or, if the applicant believes the rejection was unwarranted, whether there is a more formalized appeal process,

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to Senate Bill 236 and House Bill 23, both of which establish new special registration plates for motorcycles.

AHO/hj