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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 2/28/23

SPONSOR Campos

BILL
NUMBER Senate Bill 305

SHORT TITLE Route 66 License Plate

ANALYST Anderson

REVENUE* (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
No fiscal impact	(\$18.4)	(\$18.4)	Recurring	Department of Transportation State Road Fund
No fiscal impact	\$18.4	\$18.4	Recurring	Department of Tourism General Fund

Parentheses () indicate revenue increases.

*Amounts reflect most recent version of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	\$13.3	\$0.0		Nonrecurring	TRD MVD Suspense Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent version of this legislation.

Relates to Senate Bill 276, House Bill 141, Senate Bill 284, House Bill 240, Senate Bill 142

Sources of Information

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

Tourism Department (NMTD)

Department of Transportation (NMDOT)

SUMMARY

Synopsis of Senate Bill 305

House Bill 305 amends Section 66-3-424.8 NMSA 1978 to transfer a distribution of revenues from the issuance of a special Route 66 commemorative vehicle registration plate from the Department of Transportation to the Tourism Department.

Section 1 part B provides a fee of \$35 per plate in addition to regular motor vehicle registration fees. The renewal fee for each plate is \$35 annually.

Part C outlines the distribution of fees from the plates. Taxation and Revenue Department shall collect \$10 of each fee to defray the cost of making and issuing the special registration plate with the Route 66 logo and \$25 shall be distributed to the Tourism Department for the purpose of funding revitalization, preservation, and promotion of tourism along historic Route 66 in New Mexico “pursuant to the national scenic byways program.”

Senate Bill 305 proposes that the \$25 portion of the fee be diverted from the Department of Transportation to the Tourism Department, and adds “promotion of tourism” to the uses for that revenue.

This bill does not contain an effective date, and as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed.

FISCAL IMPLICATIONS

Historical analysis from the New Mexico Department of Transportation suggests that, on average, the Tourism Department can expect to receive approximately \$18,400 per year in revenue from Route 66 plates. This is based on revenues from the past two fiscal years, as well as trends in the use of commemorative plates.

SIGNIFICANT ISSUES

The Department of Tourism responded:

The existing Route 66 special license plate was created in statute in 2003 with an effective date of January 1, 2004, and is available for an annual fee of \$35. Revenue from that fee is distributed to the Motor Vehicle Division (\$10) and the Department of Transportation (\$25).

The Department of Tourism responded:

Route 66 has long been a draw for visitors in New Mexico. A 2021 Longwoods International survey of New Mexico visitors shows that for overnight visitors, touring (or road-tripping) accounts for 18 percent of all visits as the main purpose of the trip. As we prepare for the centennial celebration of Route 66 in 2026, NMTD plans to take advantage of the increased attention on this important tourism asset.

Additionally, the Route 66 commission (to which the Tourism Department Secretary has recently been appointed) is seeking tourism projects related to Route 66 in New Mexico. The transfer of funds received from Route 66 plates may provide promotional opportunities for the state.

Though the projected revenue (\$18,400/year) is not enough to provide for robust campaigns or infrastructure improvements, it can provide additional funding for projects related to Route 66.

PERFORMANCE IMPLICATIONS

The Department of Tourism replied, as the centennial of Route 66 approaches, it will be monitoring earned media performance, as well as outcomes related to special projects.

ADMINISTRATIVE IMPLICATIONS

TRD Responded:

Implementation of SB305 will have a low impact on TRD's Information Technology Division (ITD). The estimated time to develop, test, and implement the changes is approximately 240 hours or six weeks for an estimated \$13,330 of staff workload cost.

Configuration changes are required to the system. Fee and distribution changes needs to be tested with Financial Distributions Bureau (FDB).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 305 relates to Senate Bill 276, which would authorize a new specialty plate commemorating Make-a-Wish license plate, and House Bill 141, which would authorize a new specialty plate for "concerns of police survivors" (C.O.P.S). It also relates to Senate Bill 284 which authorizes a new specialty plate for New Mexico Special Olympics, as well as House Bill 240, which authorizes a new specialty plate for Acequia and Community Ditches. Senate Bill 142 authorizes a specialty license plate commemorating New Mexico miners, for which the entire renewal fee will go to miners' chronic health illness research.

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