

BILL ANALYSIS AND FISCAL IMPACT REPORT
Taxation and Revenue Department

January 22, 2025

Bill: HB-23

Sponsor: Representative Art De La Cruz

Short Title: "Iron Horse" Motorcycle License Plates

Description: This bill provides for a new “iron horse” permanent registration plate that could be issued to a motorcycle at least thirty-five years old that is owned solely for exhibition or educational purposes. The fee for this would be \$7 and the owner would receive a five-year plate. Beginning July 1, 2029, each plate will be revalidated based on an application and a \$5 fee must be paid. Upon transfer of title the plate would remain with the transferred motorcycle. All fees related to the “iron horse” plate are to be retained by the Motor Vehicle Division (MVD) to defray the cost of making and issuing the plates. Any person violating the section by using the motorcycle for anything outside of exhibition or educational purposes is guilty of a penalty assessment misdemeanor and is assessed \$25.

Effective Date: July 1, 2025

Taxation and Revenue Department Analyst: Sean Bulian / Htet Gonzales – Motor Vehicle Division

Estimated Revenue Impact*					R or NR**	Fund(s) Affected
FY2025	FY2026	FY2027	FY2028	FY2029		
	Unknown				R	MVD Suspense Fund

* In thousands of dollars. Parentheses () indicate a revenue loss. ** Recurring (R) or Non-Recurring (NR).

Methodology for Estimated Revenue Impact: Implementing a new plate costs MVD an initial fee of \$800 and about \$250 for design/artwork. MVD’s total cost of manufacturing and distributing each license plates is approximately \$10, which includes materials and shipping. The \$7 fee established by this bill will not be sufficient to cover MVD’s upfront or ongoing costs of this plate. It is unknown how many of these plates will be requested.

Policy Issues: This bill adds the new Section 66-3-27.1 NMSA 1978 to the list of penalties assessed for violation of the motor vehicle code. This new penalty replicates what currently exists in Section 66-3-27 NMSA 1978, which provides for “Horseless Carriage Registration”. Horseless Carriages are motor vehicles at least 35 years or older and include both passenger vehicles and motorcycles. An alternative to this bill may be to instead amend Section 66-3-27 to add “Iron Horse” to the existing Horseless Carriage section. That would allow Section 2 to be removed from this bill entirely.

To prevent proliferation of special plates that are not in high demand, MVD recommends language allowing for the discontinuation of the specialty plates after a certain amount of time. Suggested language would be “If fewer than 30 plates are issued of Iron Horse plate for two or three years in a row, the department shall stop issuing that plate.”

Technical Issues: 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 September 1, 2025.

Other Issues: None

Administrative & Compliance Impact: Implementation of this bill will have a moderate impact on the Tax & Revenue Information Technology Division (ITD). The estimated time to develop, test and implement the changes is approximately 560 hours or 14 weeks for an estimated \$31,080 of staff workload cost.

This bill requires application and configuration changes to the Tapestry system to process the application and issuance of the “Iron Horse” motorcycle license plate for a period of five years. The changes include charging a one-time certificate of title and a permanent registration fee of \$7.00. For a duplicate license plate issuance, a \$7.00 fee will be charged. Additionally, a new violation code must be added to the system to enforce a penalty assessment misdemeanor fee of \$25.00. Effective July 1, 2029, each registration plate must be revalidated with a fee of \$5.00.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2025	FY2026	FY2027	3 Year Total Cost		
	\$31.1			NR	ITD – staff workload

* In thousands of dollars. Parentheses () indicate a cost saving. ** Recurring (R) or Non-Recurring (NR).