

BILL ANALYSIS AND FISCAL IMPACT REPORT
Taxation and Revenue Department

February 12, 2025

Bill: SB-327

Sponsor: Senator Leo Jaramillo

Short Title: Lowrider Capital License Plate

Description: This bill creates a lowrider capital of the world special registration plate. The plate shall have a logo designed pursuant to Section 66-3-424 NMSA 1978 that is developed by the Motor Vehicle Division (MVD) in collaboration with the Espanola lowrider association. The initial fee for the plate is \$50 in addition to regular motor vehicle or tow trailer registration fees, or \$40 in addition to the regular motorcycle registration fee, and the renewal fee is \$20. Of the additional motor vehicle or tow trailer fees, \$12 of the initial fee shall be retained by MVD to defray the cost of making and issuing the plate and \$38 of the initial registration fee, and the entire \$20 of subsequent renewal fees, are distributed to the Department of Cultural Affairs (DCA) for the development of museum exhibits explaining the importance of lowrider history and culture. For the additional fees for motorcycles, \$7 will be retained by MVD to defray the cost of making and issuing the plates and \$33 of the initial fee and the entire \$20 renewal are distributed to DCA. The bill provides a formula starting in 2028 to determine whether the Department should continue to offer the plate.

Effective Date: July 1, 2025

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

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

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

Methodology for Estimated Revenue Impact: It is unknown how many of these plates will be requested. MVD’s total cost of manufacturing and distributing each license plate is approximately \$10, which includes materials and shipping. The \$12 fee will be adequate to cover MVD's initial costs for producing and issuing the motor vehicle version license plate. The \$7 fee will not be sufficient to cover MVD’s initial costs for producing and issuing the motorcycle version license plate. MVD recommends that both plate versions have a similar fee of \$12 to be retained by MVD. The fee will be deposited into the MVD Suspense Fund to cover the manufacture and issuance of the plate to the applicant. Creation of the new specialty plate must be in accordance with existing state statute under Section 66-3-424 NMSA 1978 Standardized Special Registration Plates with Logos, in particular “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.

Policy Issues: None.

Technical Issues: This bill proposes the issuance of a plate for a “tow trailer”; however, the term “tow trailer” is not currently defined in statute, creating ambiguity regarding what type of trailer this applies to. Additionally, certain trailers, such as tow dollies and motorcycle trailers, are exempt from registration, while others, such as utility and box trailers, are already registered and assigned distinct trailer plates that include “TR” for proper identification. Introducing a separate plate for “tow trailers” would add

unnecessary complexity and increase the variety of specialty plates that MVD must manage. MVD recommends removing the provision for a tow trailer plate from this bill.

The bill proposes that MVD shall issue “a standard lowrider capital of the world special registration plate for motorcycles with the same design as the motor vehicle plates issued”. Motorcycle plates are much smaller than motor vehicle plates and do not consistently allow for the same design. It is recommended that the language be updated from “same design” to “similar design”.

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

Other Issues: None.

Administrative & Compliance Impact: Implementation of this bill will have a moderate impact on Tax & Revenue’s Information Technology Division (ITD). The estimated time to develop, test and implement the changes is approximately 640 hours or 4 months for an estimated \$42,650 of staff workload cost.

This bill requires changes to the Tapestry system to create a Lowrider Capital of the World License plate for vehicles and Motorcycles process, registration fee calculation and distribution for MVD and Department of Cultural Affairs.

Application and configuration changes are required to the system. Fee and reverse distribution changes for MVD and the Cultural Affairs Department Funds.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2025	FY2026	FY2027	3 Year Total Cost		
	\$42.6			NR	MVD Suspense Fund – Staff Workload Cost

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

Related Bills: