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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 02/12/2025

SPONSOR De La Cruz/Lord

BILL
NUMBER House Bill 23

SHORT TITLE "Iron Horse" Motorcycle License Plates

ANALYST Montano

REVENUE* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
Fee	No fiscal impact	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal gain	Indeterminate but minimal loss	Recurring	MVD Suspense Fund
Fee	No fiscal impact	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal loss	Recurring	MVD Suspense Fund

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

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	\$31.1	No fiscal impact	\$31.1	Nonrecurring	MVD Suspense Fund

Sources of Information

LFC Files

Agency Analysis Received From
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of House Bill 23

House Bill 23 (HB23) provides for a new special license plate design to distinguish motorcycles that are at least 35 years old and are used solely for exhibition and educational purposes. This plate will have an initial fee of \$7 and a registration fee of \$25 in addition to other motor vehicle registration fees. The Motor Vehicle Division (MVD) will retain \$10 of the initial fee to defray the cost of manufacturing and issuing the plate. All fees collected will be retained by Taxation and Revenue Department (TRD) to cover the cost of manufacturing and mailing. 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.

FISCAL IMPLICATIONS

TRD is projecting the implementation of HB23 to cost \$31.1 thousand to develop, test, and implement this plate into the IT system. TRD is projecting ITD to take 14 weeks or 560 hours to implement these changes.

TRD reports:

Implementing a new plate costs MVD an initial fee of \$800 and about \$250 for design and artwork. MVD's total cost of manufacturing and distributing each license plate 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.

SIGNIFICANT ISSUES

There are currently 21 special license plates that share additional fees with a government entity. It should be noted that the increased quantity of special plates may reduce the demand for any one plate design. TRD also highlights that there should be suggested language added into the bill to prevent the production of special plates that are not in high demand.

In analysis on a similar bill, TRD noted:

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.

ADMINISTRATIVE IMPLICATIONS

From TRD:

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. For a duplicate license plate issuance, a \$7 fee will be charged. Additionally, a new violation code must be added to the system to enforce a penalty assessment misdemeanor fee of \$25. Effective July 1, 2029, each registration plate must be revalidated with a fee of \$5.

OTHER SUBSTANTIVE ISSUES

TRD comments:

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 the effective date of this bill be January 1, 2026, instead of September 1, 2025.