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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 02/25/2025

SPONSOR Zamora

BILL

SHORT TITLE Trail Life USA Special Registration Plate **NUMBER** House Bill 474

ANALYST Montano

REVENUE* (dollars in thousands)

Agency	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
TRD	\$0	\$1.2	\$1.2	\$1.2	\$1.2	Recurring	MVD Suspense Fund
EMNRD	\$0	\$2.3**	\$5.3**	\$8.3**	\$11.3**	Recurring	State parks Division Fund

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

**Revenue totals are reflected if a batch of 100 license plates is sold, and if every license plate buyer renews their license plate every year.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
TRD/MVD	No fiscal impact	\$32.0	No fiscal impact	\$32.0	Nonrecurring	MVD Suspense Fund
TRD/MVD	No fiscal impact	\$0.8	\$0.8	\$1.6	Recurring	MVD Suspense Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Taxation and Revenue Department (TRD)

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of House Bill 474

House Bill 474 (HB474) establishes a Trail Life USA special registration plate, The bill directs the Motor Vehicle Division (MVD) of the Taxation and Revenue Department (TRD) to issue this specialty plate featuring a logo designed to express support for Trail Life USA, a faith-based outdoor adventure program for boys. The bill sets fees, revenue distribution rules, and conditions for discontinuing the plate if demand declines.

Vehicle owners may obtain the Trail Life USA special registration plate for a one-time fee of \$35.00, in addition to regular vehicle registration costs. To retain the plate, they must pay an annual renewal fee of \$30.00. The bill specifies the distribution of these fees. \$12.00 from each initial plate fee will be retained by the Taxation and Revenue Department to cover manufacturing and issuance costs. The remaining initial fee and all renewal fees will be appropriated to the State Parks Division of the Energy, Minerals and Natural Resources Department for the acquisition, development, operation, and maintenance of state parks and recreation areas.

Additionally, the bill includes a review mechanism for the plate's continuation. Beginning July 1, 2031, and each subsequent year, MVD will compare the number of plates issued and renewed in the prior fiscal year with the average annual issuance between fiscal years 2026 and 2031. If the number of plates issued and renewed falls below 50% of the average annual issuance during the 2026–2031 period, the MVD may discontinue production of the plate.

The effective date of HB474 is January 1, 2026.

FISCAL IMPLICATIONS

TRD cannot accurately predict how many of these plates will be requested. TRD can report the total cost of manufacturing and distributing each license plate will be about \$10, which is covered by the \$12 that TRD retains from the \$35 initial fee. TRD highlights:

Creation of the new specialty plate must be in accordance with existing state statute under Section 66-3-424D2 NMSA 1978, which states that entities registering a registration plate with a logo “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.

If 100 of these plates were sold, then TRD would generate \$1,200 dollars in revenue, which is sufficient to cover the initial purchase of \$800. A projection for the implementation of HB474 is that TRD will gain \$1,200 dollars in revenue and would gain more depending on how many batches of license plates are required.

EMNRD will collect \$23.00 in revenue per plate sold and an additional \$30 for the renewable license fee to use for the State Parks Division. If TRD only creates one batch of 100 license plates, then EMNRD will generate \$2,300 in revenue from the initial fee and a subsequent \$3,000 for every year if all 100 license plate owners renew their license plate. If TRD continues to sell at least 100 license plates a year, then each subsequent year will experience \$3,000 more of renewable license fees compared to the previous year due to there being 100 new license plate owners. This recurring source of revenue is just a floor, and EMNRD should project at least \$5,300 of revenue generated for FY26, with a \$3,000 increase for each subsequent year if all new license plate owners renew. The limit of potential revenue generated for ENMRD is dependent on the total number of batches of license plates TRD makes and sells.

Regarding the implications for TRD's operating budget, TRD said the following:

The Tapestry System's general ledger and reporting will need to be updated for the new distribution. The estimated time to develop, test and implement the changes is approximately 480 hours or 3 months for an estimated \$32 thousand of staff workload cost.

SIGNIFICANT ISSUES

ENMRD said:

Trail Life USA (TLUSA) is a Trinitarian Christian faith-based scout-like organization, found in over 1,200 churches in all 50 states. The organization was founded in 2013 in reaction to the Boy Scouts of America changing its membership policy to allow homosexual youth in boy scout packs. The mission of TLUSA is to guide generations of courageous young men to honor God, lead with integrity, serve others, and experience outdoor adventure. TLUSA's vision is to be the premier national character development organization for young men which produces godly and responsible husbands, fathers, and citizens.

The State Parks Division (SPD) of EMNRD has a longstanding financial partnership with TRD related to motorboat registration fee assessments and resulting revenue transfers. If HB474 is enacted, SPD will coordinate with TRD to expand this partnership to include revenues generated from the sales and renewals of a special registration plate.

ADMINISTRATIVE IMPLICATIONS

TRD notes:

This bill requires application and configuration changes to the Tapestry system to create a Trail Life USA license plate process, registration fee calculation and distribution for MVD and the State Parks Division of EMNRD.

TECHNICAL ISSUES

EMNRD said:

HB474 is unclear as to if its intent was to only apply to motor vehicles as defined by NMSA 66-1-4.11 or if it intended to be applied to all types of vehicles that are registered in the state of New Mexico such as recreational vehicles, motor homes, off-highway vehicles, and motorcycles. Each of these vehicle types are specifically defined by NMSA 66-1-4.1-21 as follows:

- A "motor vehicle" means every vehicle that is self-propelled and every vehicle that is propelled by electric power obtained from batteries or from overhead trolley wires, but not operated upon rails, including an electric mobility device, but does not include an electric-assisted bicycle.
- A "recreational vehicle" means a vehicle with a camping body that has its own motive power, is affixed to or is drawn by another vehicle and includes motor homes, travel trailers and truck campers.
- A "motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including autcycles and excluding a tractor.
- A "motor home" means a camping body built on a self-propelled motor vehicle chassis so designed that seating for driver and passengers is within the body itself.

- An “off-highway motor vehicle” means any motor vehicle operated or used exclusively off the highways of this state and that is not legally equipped for operation on the highways of this state but does not include an electric-assisted bicycle.

If HB474 intended to or can enable these vehicle types to qualify for this special registration plate, more revenue may be generated to support the New Mexico State Parks system.

NM/hj