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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 2/28/2025

SPONSOR Maestas

BILL
NUMBER Senate Bill 377

SHORT TITLE NM United License Plate

ANALYST Montano

REVENUE* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
TRD	\$0	\$1.2	\$1.2	\$1.2	\$1.2	Recurring	MVD Suspense Fund
NMTD	0	\$3.8	\$5.8	\$7.8	\$9.8	Recurring	Sports-Related Tourism 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/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
Total	No fiscal impact	\$32.8	\$0.8	\$33.6		MVD Suspense Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to House Bill(s) 23, 474, 480, 507, 580 and Senate Bill(s) 236, 327, 501

Sources of Information

LFC Files

Agency Analysis Received From
 Taxation and Revenue Department (TRD)
 Tourism Department (TD)

SUMMARY

Synopsis of Senate Bill 377

Senate Bill 377 (SB377) establishes a New Mexico United special registration plate, available

for vehicle owners starting July 1, 2025. The Motor Vehicle Division (MVD) will issue this standardized specialty plate, designed in support of New Mexico's professional soccer team, New Mexico United. The plate will feature a black background with yellow lettering, similar to the state's chili themed plates.

To obtain the New Mexico United special plate, vehicle owners must pay an initial fee of \$50.00, in addition to regular vehicle registration costs. To renew the plate, an annual renewal fee of \$20.00 will be required. The bill specifies the distribution of these fees as follows:

- \$12.00 from the initial fee will be retained by the Taxation and Revenue Department to cover manufacturing and issuance costs.
- \$38.00 from the initial fee and all renewal fees will be allocated to the Tourism Department to promote sports-related tourism in New Mexico.

Additionally, SB377 includes a review mechanism to determine whether the plate remains available. Beginning July 1, 2028, and annually thereafter, MVD will compare the number of plates issued and renewed in the previous fiscal year with the annual average of such plates issued between fiscal years 2026 and 2027. If the number of plates issued and renewed falls below 50% of the average annual issuance during this period, MVD will stop issuing the plate starting in fiscal year 2029.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

TRD cannot accurately predict how many of these vehicle 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 \$50 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 SB377 is that TRD will gain \$200 dollars in revenue and would gain more depending on how many batches of license plates are required.

NMTD will collect \$38.00 in revenue per plate sold and an additional \$20 for the renewable license fee to use to promote sports-related tourism. If TRD only creates one batch of 100 license plates, then NMTD will generate \$3,800 in revenue from the initial fee and a subsequent \$2,000 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 \$2,000 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 NMTD should project at least \$3,800 of revenue generated for FY26, with a \$2,000 increase for each subsequent year. Revenue

generated for NMTD is dependent on the total number of batches of license plates TRD makes.

Regarding the implications for TRD's operating budget, TRD notes 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

New Mexico already has at least 40 specialty license plates, including 10 plates for colleges and universities, 11 related to military service, one for Santa Fe, one for Las Cruces, and plates for autism, wildlife, fish, the children's trust fund, pet care, breast cancer awareness, Route 66, organ donors, the Cumbres and Toltec railway, farm and ranch heritage, adoption, firefighters, pollinators, Smokey Bear, and other causes.

NMTD said:

This license plate would be established to promote the New Mexico United soccer team. Some revenue from the sales of the plate would be allocated to the NMTD for promotion of sports related tourism. Currently, the NMTD supports sporting events and activities, such as the Special Olympics, the Balloon Fiesta, skiing and other outdoor opportunities. It is unclear how much revenue would result from this license plate to help augment the promotional efforts of NMTD for sports-related tourism.

ADMINISTRATIVE IMPLICATIONS

TRD said:

This bill requires application and configuration changes to the Tapestry system to create a New Mexico United Soccer Team Supporter license plate process, registration fee calculation, and distribution for the Motor Vehicle Department and the Tourism Department.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to the following bills, all of which create new specialty plates:

- House Bill 474 – Trail Life License Plates – Create a new license plate called the Trail Life License plate to generate additional revenue for the State Parks Division of EMNRD.
- House Bill 480 – Suicide Prevention License Plates - Create a new license plate called the Suicide Prevention License Plate to generate additional revenue for the behavioral health services division of HCA.
- House Bill 507 – ABQ Isotopes License Plates - Create a new license plate called the ABQ Isotopes License Plate to generate additional revenue for the Carrie Tingley Hospital.
- House Bill 580 – Elk License Plate - Creates a new license plate called the Elk License Plate to generate additional revenue for the game protection fund.
- Senate Bill 236 – Look Twice for Motorcycle License Plate - Creates a new license plate called the Look Twice for Motorcycle License Plate to generate additional revenue for the motorcycle training fund.
- Senate Bill 327 – Lowrider Capital License Plate - Creates a new license plate called the

Lowrider Capital License Plate to generate additional revenue for DCA.

- Senate Bill 501 – Make-A-Wish License Plate - Creates a new license plate called the Make-A-Wish License Plate to generate additional revenue for the Department of Health.

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