

House Bill 562 -- Page 2

Department to market New Mexico agricultural products and 4) provides the remaining \$20 of the fee would be distributed to the State Road Fund and local governments pursuant to Section 66-6-23.1 NMSA 1978.

Significant Issues

The New Mexico Department of Agriculture reports the following:

The (Department) has trademarked the logo and slogan “New Mexico-Taste the Tradition.”

The (Department) has several on-going agricultural marketing and promotional programs which require additional funding.

Over 70 New Mexico companies have signed up to participate in the “New Mexico-Taste the Tradition” program.

Since there is no effective date specified in the bill, it is assumed the changes would become effective June 15, 2001, 90 days after adjournment.

PERFORMANCE IMPLICATIONS

This bill will increase the number of agricultural promotions and the number of producers, processors, wholesalers, and retailers assisted.

FISCAL IMPLICATIONS

The bill specifies the Department will receive \$20 dollars per license plate sold.

The Taxation and Revenue Department reports it is “unable to forecast the demand for \$35 (dollars) per year special vehicle registration plates.” For each plate requested, \$15 (dollars) is distributed either to the Motor Vehicle Division (fiscal years 2002 and 2003) or to the New Mexico Department of Agriculture (fiscal year 2004 and thereafter), and \$20 (dollars) distributed to the state road fund and local governments.

Continuing Appropriations

This bill permits continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions particularly for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

ADMINISTRATIVE IMPLICATIONS

The Taxation and Revenue Department indicates the following impact to its department:

The single clerk currently charged with handling special vehicle registration plates is unable to take-on additional tasks or responsibilities, so one (1) additional employee would be required.

Otherwise, a minor negative administrative impact on the Motor Vehicle Division would result from computer system changes required to implement additional special

vehicle registration plates and the distribution of the new class of revenue. These changes can be accomplished with existing resources, but will present an opportunity cost of at least 100 man-hours to other initiatives and improvements to the division's computer systems.

OTHER SUBSTANTIVE ISSUES

The Taxation and Revenue Department indicates it may be better to allow the Motor Vehicle Division to retain \$15 dollars per plate for the first two years after the special plate design first becomes available just in case there was a delay in implementing the issuance of the special plates because the agency also reports they may then not receive adequate reimbursement to cover the costs of implementation.

JMG/ar