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FISCAL IMPACT REPORT



SPONSOR: Taylor, J.G. DATE TYPED: 01/28/02 HB 236

SHORT TITLE: Agricultural Products Registration Plate SB _____

ANALYST: Hayes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring Or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	Unknown				

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	\$0.0	Unknown (FY05+)	Recurring	NMDA
	Unknown	\$0.0	Non-recurring	MVD
	Unknown	Unknown	Recurring	State Road Fund & local governments*

(Parenthesis () Indicate Revenue Decreases)

Relates to HB206 and SB225

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)
 New Mexico State Highway and Transportation Department (SHTD)
 New Mexico Department of Agriculture (NMDA)
 LFC files

SUMMARY

Synopsis of Bill

This bill adds a new section to the Motor Vehicle Code, Section 66-3-424, providing for the issuance of special New Mexico agricultural products vehicle license plates that would include the slogan “*New Mexico – Taste the Tradition.*” The special license plate would cost \$35 per year in addition to regular vehicle registration fees. The Motor Vehicle Division (MVD) would retain \$15 of this \$35 fee during fiscal years 2003 and 2004, and such revenue is appropriated to MVD for the manufacture and issuance of these agricultural products plates. Thereafter, the fees would be distributed to the New Mexico Department of Agriculture to market New Mexico agricultural products. The distribution of the remaining \$20 of the \$35 fee would be distributed to the State Road Fund and local governments pursuant to Section 66-6-23.1 NMSA 1978.

Secondly, HB236 amends Section 66-6-23 NMSA 1978 to reconcile multiple amendments in the same section of the Motor Vehicle Code. The legislation clarifies that fees collected pursuant to Section 66-7-413.4 NMSA 1978 (regarding overweight permits for liquid haulers) must be distributed to the State Road Fund. This change is made due to the fact that the same 2001 legislation that enacted 66-7-413.4 also repealed Section 66-7-413.3, which contained a provision that “*Any fees collected pursuant to special permits authorizing oversize or overweight transportation...be transferred to the state road fund.*” Even though Section 66-7-413.4 states that “*Revenue from the permit fee shall be used to build, maintain, repair or reconstruct the highways and bridges of this state,*” there is no specific statutorily required distribution of these fees to the State Road Fund without the amended language.

The effective date of this bill is July 1, 2002.

Significant Issues

- If there were a delay in the manufacturing and implementation of issuing these special agriculture products license plates, MVD may not receive adequate reimbursement to cover the costs of their production. TRD proposes that a better revenue distribution formulation would be to allow MVD to retain \$15 per license plate for the first two years after the special plate design becomes available.
- NMDA has several ongoing marketing and promotional programs requiring additional funding. This bill would provide for that funding in future years. Currently, more than 140 New Mexico companies have signed up to participate in the “*New Mexico – Taste the Tradition*” program.

FISCAL IMPLICATIONS

1. TRD is unable to forecast the demand for \$35 per year special vehicle registration plates for agriculture products. For each plate requested, \$15 is distributed either to the Motor Vehicle Division (fiscal years 2003 and 2004) or to the New Mexico Department of Agriculture (fiscal year 2005 and thereafter), and \$20 distributed to the State Road Fund and local governments pursuant to Section 66-6-23.1.

2. There is no fiscal impact associated with the technical correction to 66-6-23 NMSA 1978.

ADMINISTRATIVE IMPLICATIONS

There would be a minor administrative impact on the Motor Vehicle Division resulting from the computer system changes required to implement additional special vehicle registration plates and the distribution of the new class of revenue. However, these changes can be accomplished with existing resources.

RELATIONSHIP

HB206 and SB225 also amend Section 66-6-23 NMSA 1978 pertaining to the Motor Vehicle Code.

POSSIBLE QUESTIONS

1. Why will revenue collected from the sale of agriculture products license plates be directed to the New Mexico Department of Agriculture after FY04? Has NMDA or the participating companies sought other funding opportunities or looked for other resources to assist with their marketing programs (such as Economic Development Department)? After FY04, why should MVD incur the costs for this specialty license plate ?

CMH/ar