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FISCAL IMPACT REPORT

SPONSOR Campos DATE TYPED 1/27/04 HB 28

SHORT TITLE Special Plates for NM Scenic Byways Program SB _____

ANALYST Reynolds-Forte

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
		\$13.0	Indeterminate	Recurring	Other State Funds
	\$5.0			Recurring	Motor Vehicle Division, GF, \$10 per plate
	\$12.5			Recurring	State Road Fund, \$25 per plate

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	\$5.0	\$5.0	Recurring	General Fund
	\$12.5	\$12.5	Recurring	OSF

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From

TRD(TRD)

Department of Transportation(DOT)

SUMMARY

Synopsis of Bill

House Bill 28 requires TRD to issue a standardized registration plate commemorating New Mexico scenic byways. TRD will charge a fee of \$35 for the scenic byway plate, which is in addition to the regular motor vehicle registration fees. Ten dollars (\$10) of the fee is appropriated to the Motor Vehicle Division of TRD and the remaining \$25 is appropriated to the scenic byways pro-

gram of the Regional and Metropolitan Planning section of the Transportation Planning Division of the Department of Transportation.

FISCAL IMPLICATIONS

The TRD notes they are not able to forecast, with reasonable accuracy, the number of people who will purchase these plates or the percentage of plates for which renewal fees will be paid. In the event that 500 plates were sold and annually renewed, annual revenues of \$17,500 would be generated.

The bill appropriates \$10 of the \$35 fee to the Motor Vehicle Division of the TRD which would receive \$5,000 annually and \$25 of the \$35 fee to the Department of Transportation which would receive \$12,500 annually.

ADMINISTRATIVE IMPLICATIONS

The TRD estimates it will cost \$6,600 in the first year to make computer system changes related to the new plate. It will cost \$3.21 each to produce the new plates. An initial run of 2000 plates will cost \$6,400.

The bill does not contain an effective date. If it became effective 90 days after adjournment (May 19, 2004), the TRD would have expenses in FY04 but no additional revenues until FY05. The total cost in FY04 will be \$13,000. Costs in FY05 and beyond will depend on the number of plates requested. Using the assumption of 500 plates per year, the cost in FY05 would be minimal since the Department will have already plates available from the original production run.

TECHNICAL ISSUES

An effective date of July 1, 2004 would allow the administrative costs and the revenues to both start in the same fiscal year.

The Department of Transportation suggests the following technical change: "In Section 1, Subsection C, Paragraph (2) on page 2, lines 15 through 17, the distribution to the scenic byways program might be better specified as: *"the scenic byways program [of the regional and metropolitan planning section of the transportation planning division] of the department of transportation for funding of grants pursuant to the New Mexico Administrative Code Title 18, Chapter 31, Part 2 entitled New Mexico Scenic and Historic Byways Program ."*

OTHER SUBSTANTIVE ISSUES

The Department of Transportation suggests that consideration might be given to revising the \$10 distribution to the Motor Vehicle Division to apply only upon issuance of a new plate. The transaction cost to the Motor Vehicle Division involves the cost of manufacturing the plate and the initial issuance of the plate. There should be no significant or unusual transaction costs relating to renewal of the vehicle registration.

POSSIBLE QUESTIONS

1. HB 28 appropriates \$10 of the fee to the Motor Vehicle Division and \$25 of the fee to Dept. of Transportation. How will these revenues be collected and distributed?
2. The bill does not specify how the \$25 fee appropriated to the Department of Transportation will be used. The Department of Transportation is suggesting language be added to use the revenues for funding of grants. Is this what the revenue should be used for?

PRF/yr