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FISCAL IMPACT REPORT

ORIGINAL DATE 03/09/09
LAST UPDATED 03/16/09 **HB** _____

SPONSOR SFCS

SHORT TITLE Santa Fe 400th Anniversary License Plates **SB** 631/SFCS

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	Estimated to be Moderate	Nonrecurring	MVD Operating Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	\$20.0		Nonrecurring	MVD Operating Fund
	\$50.0		Nonrecurring	DFA Local Government Division

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Minimal			Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Finance Committee Substitute for Senate Public Affairs Committee Substitute Senate Bill 631 proposes to add a new section to the Motor Vehicle Code authorizing the Motor Vehicle

Division (MVD) to issue a special registration license plate commemorating the four hundredth anniversary of the city of Santa Fe. The department may only issue the commemorative plate for applications received on or before July 1, 2012; however, the plate may be renewed thereafter at the regular registration fee.

The annual fee for the plate would be \$35 in addition to the regular motor vehicle registration fee. Revenue from sale of the special plates would be distributed as follows: \$10 retained by MVD for the cost of making and issuing the plate, and \$25 to the Department of Finance and Administration to be distributed to the city of Santa Fe to commemorate the four hundredth anniversary of the city of Santa Fe.

FISCAL IMPLICATIONS

The Taxation and Revenue Department (TRD) estimates the fiscal impact as follows;

2,000 plate transactions x \$10 transaction fee = \$20.0 MVD Operating Fund thru FY2012
2,000 plate transactions x \$25 transaction fee = \$50.0 Local Government Division thru FY2012

This bill provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions, as earmarking reduces the ability of the legislature to establish spending priorities.

The bill allows MVD to keep some of the monies collected to defray the costs of the plate but does not include language making the monies non-reverting.

SIGNIFICANT ISSUES

The Santa Fe 400th Anniversary commemorative special plate would be the state's first and only "limited edition" plate, by virtue of the fact that it would only be available for issuance until July 1, 2012.

MVD believes it is imperative this bill have an effective date no earlier than July 1, 2010. The department reports that no new special license plates, that include a fee, can be issued by MVD until additional revenue codes are available in the computer system. All current revenue codes are in use. No additional revenue codes will be available until MVD implements a new Point of Sale system that is estimated to be in place by July 1, 2010.

ADMINISTRATIVE IMPLICATIONS

According to TRD, although this bill will have a low IT impact, MVD has an issue with adding additional revenue codes to the IT system.

TECHNICAL ISSUES

The substitute bill does not require the plate to be issued as a standardized special plate under NMSA 1978, § 66-3-424. As a result, the design that is chosen will not need to meet the criteria under that section. The only requirements that this special plate would need to meet are that it have a registration number and the name of the state (NMSA 1978, § 66-3-14).

As noted in the significant issues section, MVD may not be able to program a new revenue code into the current IT system, or until July 1, 2010.

This bill provides for a continuing appropriation to MVD from fees collected from the commemorative plate. The LFC has concerns with including continuing appropriation language in statutory provisions, as earmarking reduces the ability of the legislature to establish spending priorities.

OTHER SUBSTANTIVE ISSUES

Last year, the MVD issued 25,000 special plates in 22 different types. Most common were military (9,269) and collegiate (UNM, NMSU, NMT, 8,957), but several of the plates have been issued in much smaller quantities.

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