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## FISCAL IMPACT REPORT

**SPONSOR** Nava **ORIGINAL DATE** 02/26/09  
**LAST UPDATED** 03/12/09 **HB** \_\_\_\_\_

**SHORT TITLE** "Visit New Mexico" On All License Plates **SB** 692/aSCORC

**ANALYST** Lucero

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$10.0 or \$248.4 *			Nonrecurring	General Fund

(\* refer to administrative implications)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of SCORC Amendment

Senate Corporations and Transportation Committee (SCORC) amendment to Senate Bill 692 clarifies that prestige, special plates and motorcycle plates are exempted from the bill.

#### Synopsis of Original Bill

Senate Bill 692 proposes to amend Section 66-3-14 NMSA 1978, the Motor Vehicle Code, to provide that all vehicle registration plates manufactured after July 1, 2009 shall have "Visit New Mexico" and [www.newmexico.org](http://www.newmexico.org) printed on the plates.

### FISCAL IMPLICATIONS

See Administrative Implications below.

### ADMINISTRATIVE IMPLICATIONS

Assuming that existing plate inventory will be used (not destroyed and replaced) before distribution of the new plate design, MVD estimates a cost of \$10,000 for retooling, as indicated below in Estimated Additional Operating Budget Impact. If all existing plate inventory were to be destroyed and replaced, total cost would be approximately \$248,400.

MVD estimates the following non-recurring cost of \$248.4 would be incurred in FY10 if the agency is required to destroy current plate inventory, replace field plate stock to MVD field offices and partners, replenish centralized plate stock at Mad’s main office and redesign/retool production with Mad’s plate manufacturer:

<b>Plate Inventory</b>	<b>Count as of 2/23/09</b>
State Government	\$300
Trailer	\$9,400
Motorcycle	\$12,475
Passenger Bus	\$123
Balloon	\$22,600
Passenger Lt. Truck	\$47,100
Weight Distance	\$800
Dealers	\$2,100
Off-Hwy Vehicle	\$8,177
Manufactured. Home	\$18,587
Misc.	<u>\$600</u>
<b>Total Discarded Plates</b>	<b>\$122,262</b>
Add 30% replacement to MVD	
Foes/Partners/Inventory	<u>\$36,679</u>
<b>Total Plate Replacement</b>	<b>\$158,941</b>
Plate Replacement Cost (158,941 x \$1.5/plate)	\$238,411
Plate Redesign and Retooling Cost, per manufacturer	<u>\$10,000</u>
<b>Total</b>	<b>\$248,411</b>

**TECHNICAL ISSUES**

Section 66-3-424 NMSA 1978 sets forth what must be contained on standardized special registration plates with logos. SB-692 appears to conflict with the requirement of Section 66-3-424(B) NMSA 1978 that standardized special registration plates shall display the phrases "New Mexico USA" and "Land of Enchantment." If the new language requirements of this bill are to apply to these special plates, Section 66-3-424(B) NMSA 1978 should also be amended for consistency. If not, SB-692 should be amended to specify that it does not apply to those special plates with logos authorized by and described in Section 66-3-424 NMSA 1978. Motorcycle plates should also be excluded, as those plates are too small to include the required language except in very small print.

For consistency with the requirement that plates manufactured after July 1, 2009, shall have ‘Visit New Mexico’ and ‘www.newmexico.org’ printed on the plates, the bill should have a July 1, 2009 enabling date added.

## OTHER SUBSTANTIVE ISSUES

Several states offer license plates which promote tourism:

1. In 1999, Pennsylvania became the first state to use its official Web site on its standard issue license plate. In 2003, the design of the standard issue license plate was modified to include the state's official tourism Web site
2. In Missouri, plates promote the state as one of the top travel destinations in the U.S. Funds from the plates will finance tourism education and travel marketing programs.

## ALTERNATIVES

As an alternative, the bill could be amended to authorize a specialty license plate pursuant to Section 66-3-424 NMSA 1978. That statute controls issuance of special plates with logos. Revenues collected from specialty plates can be directed to a particular group or fund. Revenues collected from the plates could be used to help support the Tourism Department.

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.

## AMENDMENTS

The SCORC amendment should have said:

On page 2, line 4, after "flag", insert ", except prestige, special plates and motorcycle plates."  
Instead of: On page 2, line 4, after "plates", insert ", except prestige, special plates and motorcycle plates."

The amendment repeats "except prestige, special plates and motorcycle plates." within the same sentence.

DL/mc:svb