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FISCAL IMPACT REPORT

SPONSOR Garcia, MP & Keller **ORIGINAL DATE** 01/13/14
LAST UPDATED 01/27/14 **HB** 43

SHORT TITLE Low-Income Car Registration Exemption **SB** _____

ANALYST Graeser

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY14	FY15	FY16		
	<(\$20.0)	<(\$20.0)	Recurring	State Road Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

No agency responses

SUMMARY

House Bill 43 provides a motor vehicle registration fee exemption for severely handicapped and impoverished individuals. “Disabled” means a double amputee (leg, arm, hand, foot or eye) or a brain injury causing at least 30 percent cognitive impairment. The individual seeking a motor vehicle registration fee exemption must prove income less than \$15,000 per year. The exemption is for one vehicle owned by the individual.

FISCAL IMPLICATIONS

In 2012, American Community Survey reports 52,377 individuals in New Mexico aged 18 to 64 with a disability and income in the past 12-months below the poverty level. Assume 5 percent of this number is sufficiently disabled to qualify as “Disabled” in the bill and ¼ of these own vehicles. Assume the 2015 poverty threshold is a melding of \$11,945 (single, unrelated) and \$15,450 (two-person household) or about \$13,700, so assume we need to increase the poverty numbers by 10 percent to estimate the number qualifying at \$15,000 annual income. Further assume that the average annual registration fee is \$30 (minimum car registration is \$24; minimum truck registration is \$38). The annual fiscal impact will then be about \$20.0. This will be a hit to the state road fund. This estimate will not be as good as a far lower estimate derived from the number of amputee plates currently issued. At least half of the current recipients of amputee plates would probably qualify for this registration exemption based on annual income.

SIGNIFICANT ISSUES

Lack of transportation is a serious obstacle to gainful employment. However, the minimal benefit contained in this bill is relatively insignificant compared to the cost of insurance and maintenance on a vehicle. Perhaps an increase in the Low Income Comprehensive Tax Rebate might be a better means of addressing income inequality and the hardships of handicapped. 29 percent of public assistance recipients in New Mexico have some handicap (American Community Survey data).

66-3-412. SPECIAL REGISTRATION PLATES--FIFTY PERCENT OR MORE DISABLED VETERANS provides a distinctive plate and exemption from motor vehicle registration fee for disabled military veterans. The proposal of this bill would grant this new group of severely handicapped individuals no additional benefits if they are disabled military veterans.

EFFECTIVE DATE

July 1, 2014

LG/ds