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## FISCAL IMPACT REPORT

**SPONSOR** Baldonado **ORIGINAL DATE** 3/3/15  
**LAST UPDATED** 3/11/15 **HB** 510/aHTPWC  
**SHORT TITLE** Titling and Registration of Replica Cars **SB** \_\_\_\_\_  
**ANALYST** Malone

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

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	\$15.0	\$0.0	\$0.0	\$15.0	Nonrecurring	TRD-ITD Operating

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of HTPWC Amendment

The House Transportation and Public Works Committee amendment to House Bill 510 simplifies the definition of “model year” to be the year of the motor vehicle model or brand that a replica car most resembles, requires that for registration and titling purposes the date of manufacture of a replica car be the year the replica car chassis and body kit was manufactured, and creates new language to explicitly require that the certificate of title and registration of a replica car clearly state the car is a replica and the date of manufacture.

#### Synopsis of Original Bill

House Bill 510 adds a new section to the Motor Vehicle Code pertaining to the titling and registration of replica cars, defined as motor vehicles that are assembled from a pre-fabricated chassis and body kit purchased from a replica car manufacturer. To be eligible for a certificate of title, registration, and registration plate, the owner of a replica car must provide proof of ownership, an affidavit that the car is intended only for occasional transportation, exhibitions, or similar limited uses, and that the car meets acceptable safety and equipment requirements.

For the purposes of registration, the date of manufacture is the model year, defined as “the year of manufacture of the motor vehicle model or brand that a replica car most resembles in outward appearance.”

Additionally, replica cars registered pursuant to the new section are exempt from state or local vehicle emission inspection and testing.

## **FISCAL IMPLICATIONS**

TRD estimates that implementation of the bill will have a minimal impact on the department. Changes required by the bill, including MVD 2.0 and point of sale system updates, mainframe changes, and testing, will take an estimated 300 hours total. At \$50 per hour, the total cost of implementation will be about \$15 thousand.

## **SIGNIFICANT ISSUES**

TRD expresses concern that the model year, as defined in the bill, is the year in which the model copied by the replica car was manufactured rather than the year the replica was actually produced and that this may be misleading.

However, the American Association of Motor Vehicle Administrators (AAMVA) outlines best practice for titling replica cars to include the model year in the same way HB 510 does. Importantly though, AAMVA suggests including the word “replica” in the model description. AAMVA’s best practice for titling replica cars is as follows:

- Jurisdictions should assign the following:
  - Year—the year the vehicle resembles.
  - Make—the make the vehicle resembles.
  - Model—the model the vehicle resembles, if branded as replica. If the jurisdiction cannot brand the vehicle “replica,” then use “replica” as, or in addition to, the model.
- In addition, jurisdictions should:
  - Brand the vehicle “replica.” If the jurisdiction cannot brand the vehicle “replica,” then use “replica” as the model.
  - Assign a VIN in accordance with their established procedures if a primary VIN is not available.
  - Designate on the registration and/or title if an engineer’s report is on file.
  - Establish a procedure that requires the owner to certify that the vehicle will be used only for shows or parades, and not the owner’s primary or daily mode of transportation unless the application for registration is accompanied by an engineer’s certification.
  - Carry forward any brands assigned by other jurisdictions upon issuance of ownership documents.

The bill exempts replica cars from state and local vehicle emission inspection and testing. New Mexico does not have statewide emission requirements, and Bernalillo county is the only local government with emission requirements. In Bernalillo, replica cars would be exempt from the requirement for motor vehicles 1980 or newer to be tested every two years or at change of ownership.

## **ADMINISTRATIVE IMPLICATIONS**

TRD will have minimal responsibilities associated with implementation of the bill.

**OTHER SUBSTANTIVE ISSUES**

TRD observes that, given a set of requirements for the operation of replica cars that differs from other automobiles, it might be helpful to law enforcement and others if there was a special replica car registration plate to identify a replica car as such.

CEM/bb/aml/je