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FISCAL IMPACT REPORT

ORIGINAL DATE 2/21/17
LAST UPDATED 3/8/17 **HB** 393/aHF1#1/ec
SPONSOR Brown
SHORT TITLE Chile License Plates **SB** _____
ANALYST Romero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
\$1.3	\$1.3	Recurring	Farm and Ranch Heritage Museum Educational Programs
\$0.5	\$0.5	Recurring	TRD MVD Operating

(Parenthesis () Indicate Expenditure Decreases)

Relates to: HB 36, HB 132, HB 186, HB 458, SB51, SB52, SB 265, SB 297, SB 357, SB 405, SB 424

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of House Floor Amendment #1

The amendment adds, “Declaring and emergency to the bill title. Additionally, the amendment strikes the previous section stating the bill’s effective date and replaces it with the emergency clause. See significant issues and other substantive issues below.

Synopsis of Bill

This bill adds a new section to the Motor Vehicle Code to add the Chile Pepper Special Registration Plate. A fee of \$35.00 will be assessed, in addition to the regular motor vehicle registration fees. Ten dollars (\$10.00) of the fee collected shall be retained by and is appropriated to the department for the costs of making and issuing the special registration plate, and \$25.00 of the fee collected shall be distributed and is appropriated to the farm and ranch heritage museum for educational programs.

FISCAL IMPLICATIONS

Revenue impact assumes 50 Chile Pepper Plates being issued annually. The projected revenue increase will be \$500 a year for MVD and \$1,250 per year for the Farm and Ranch Heritage Museum Educational Programs.

The cost to design and implement a new plate type is passed on to the requesting entity. The requesting entity is asked to pay for the initial order of 100 plates. Total cost is \$600: \$100 to design and \$500 for the initial order.

Implementation of this bill will have a low impact on the Information Technology Division. Total time to complete, test and implement changes is 4 weeks. Though the emergency clause is added, the department will still take time to produce the first license plates.

The department's operating budget will absorb the implementation costs.

SIGNIFICANT ISSUES

Adopting the emergency clause allows the New Mexico Legislature to cool off Colorado's heated and futile attempt of claiming the chile pepper as its own. Though Colorado has amended House Bill 17-1012 to include an emergency clause, the language in the bill indicates the plate will be available September 1, 2018. While the race to enactment is on, New Mexico will issue the first chile license plate long before Colorado will, with or without the emergency clause.

OTHER SUBSTANTIVE ISSUES

New Mexico will always have more chile history, tradition, production, and "heat" than Colorado. In 2015, New Mexico planted 8.3 thousand acres of chile and harvested 7.7 thousand acres, or 92.8%, of the crop. Total New Mexico production of chile peppers was about 133.4 million pounds in 2015¹. The 8.3 thousand acres planted in New Mexico comprised 42.8 percent of all acres planted in the United States. According to the *Colorado Agricultural Statistics 2015*, chile peppers are not even noted in the annual document. As such, it's questionable that Colorado actually grows chiles.

In 1965 the New Mexico Legislature adopted the chile and pinto bean as the official state vegetables. Colorado does not have the chile as its official state vegetable, nor does it have a state vegetable of any sort. Section 12-3-4 NMSA 1978 (L) identifies "Red or Green?" as the official question of New Mexico. Colorado does not have a state question that involves "red or green" chile. Section 12-3-4 NMSA 1978 (M) identifies "Red and Green or Christmas" as the official state answer to the official state question. There isn't a city, town, or village in New Mexico that does not have New Mexico grown green chile. Whole cookbooks are written and published providing New Mexico chile recipes. At this point, it is clear that New Mexico culture and lifestyles revolve around the chile crop; Colorado has fewer claims to chile.

IR/jle

¹ 2015 New Mexico Agriculture Statistics U.S Department of Agriculture/National Agriculture Statistics Service.