

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR White/Trujillo, CA ORIGINAL DATE 2/14/17  
 LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Recreational Aviation License Plate SB 265

ANALYST Romero

### REVENUE (dollars in thousands)

| Estimated Revenue |       |       | Recurring<br>or<br>Nonrecurring | Fund<br>Affected       |
|-------------------|-------|-------|---------------------------------|------------------------|
| FY18              | FY19  | FY20  |                                 |                        |
| \$1.3             | \$2.0 | \$2.0 | Recurring                       | State Aviation<br>Fund |
| \$0.2             | \$0.2 | \$0.2 | Recurring                       | TRD-MVD<br>Operating   |

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to: HB 36, HB 132, HB 186, HB 393, SB 51, SB 52, SB 297, SB 357

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 265 authorizes the Motor Vehicle Division of TRD to issue a standardized support of recreational aviation in New Mexico special registration plates. The fee for the plate is \$35.00 in addition to the regular motor vehicle registration plate fees for the first year and a \$15.00 fee for each subsequent year. Ten dollars (\$10.00) from the revenue of the support of recreational aviation in New Mexico special registration plate will be retained and appropriated to the Taxation and Revenue Department (TRD) for manufacture and issuance costs. The additional \$25.00 for the first year and \$15.00 special plate renewal fee collected shall be distributed to the state aviation fund to support recreational aviation opportunities as part of the strategy of the New Mexico airstrip network.

## FISCAL IMPLICATIONS

Revenue impact assumes 0 plates issued in FY17 due to timing of legislation, design and production. Assume 50 Recreational Aviation Support Plates being issued annually starting in FY18. Projected revenue increase of \$200 a year for MVD and between \$1,250 – \$2,000 per year to the State Aviation Fund for initial fee and subsequent renewals.

The cost to design and implement a new plate type is passed onto 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.

The MVD plate manufacturing vendor would need at least 30 days to design and implement the new plate type.

Plate storage, distribution and monitoring will be required at TRD and MVD.

Implementation of this bill will have a low impact on the Information Technology Division (ITD). Total time to complete, test and implement changes is 4 weeks with an estimated cost of \$11,200.

- Implementation of a recreational aviation license plate requires effort to set up the new plate type, inventory, and add into the registration process, new fees, and new distributions.
- Additionally the new plate image will need to be added into the system and the new fund code will be implemented for distribution to the state aviation fund.
- Work will also need to be done with MVD's plate vendor to establish a new plate design.

Additionally, the Financial Distribution Bureau of TRD will require 40 hours to contribute to implementation of the ITD changes.

The ITD operating budget will absorb costs of implementation.

## ADMINISTRATIVE IMPLICATIONS

There will be minimal administrative impact for the Motor Vehicle Division (MVD). A new special plate application form will be required as well as an update to the special plates section of MVD's Vehicles Manual.

IR/al/jle