

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 FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (www.nmlegis.gov). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/21/21

SPONSOR Munoz LAST UPDATED _____ HB _____

SHORT TITLE New Mexico Miners License Plate SB 379

ANALYST Graeser

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY21	FY22	FY23	FY24	FY25		
	<\$10.0	<\$10.0	<\$10.0	<\$10.0	Recurring	TRD operating
	<\$10.0	<\$10.0	<\$10.0	<\$10.0	Recurring	Miner's Hospital Operating

Parenthesis () indicate revenue decreases

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$25.8			\$25.8	Nonrecurring	TRD Operating

Parenthesis () indicate expenditure decreases

SB270 proposes special license plates with a decal logo. The fee for these plates would be \$10, with no sharing with a government agency to support a worthy purpose.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 379 proposes to create a New Mexico Miners special registration plate. This plate would be created with a logo pursuant to Section 66-3-434 NMSA 1978 and would carry a \$20 fee in addition to the regular registration fee. The fee of \$10 is appropriated to TRD to cover the

costs of manufacturing and mailing. The remaining \$10 would be appropriated to the Miner's hospital to be used for chronic illness research.

The effective date of this bill is July 1, 2021. However, TRD notes that there is a substantial latency for implementing any new plates. It is somewhat unlikely that these plates would be available until late in 2021.

FISCAL IMPLICATIONS

The fiscal impact depends on the number of plates that motorists adopt. The initial order for a plate with logo pursuant to Section 66-3-434 NMSA 1978 would probably be about 1,000 units. This implies a maximum fiscal impact of less than \$10 thousand in revenue for both TRD and Miner's Hospital.

SIGNIFICANT ISSUES

There are currently 21 special license plates that share additional fees with a government entity. It should be noted that the increased quantity of special plates may reduce the demand for any one particular plate design.

ADMINISTRATIVE IMPLICATIONS

TRD notes the following administrative impacts:

There is an initial cost with MVD's license plate vendor of \$800 to design and put a new license plate type into distribution. Additionally, this bill requires changes in vehicle registration fee calculations and distributions. Application and configuration changes to MVD's Tapestry system to be required, as will revenue distribution changes for new recipients. The estimated time to develop, test and implement these changes is approximately 480 hours or 12 weeks, for an estimated \$25 thousand of staff workload cost.

Working with MVD's license plate vendor on a new design, as well as receiving the approval from all interested parties on a new design typically takes several months. MVD requests that the effective date of the legislation be set at January 1, 2022 to allow for this process to be completed.

LG/sb