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FISCAL IMPACT REPORT

SPONSOR <u>HTPWC</u>	LAST UPDATED <u>2/18/2023</u>
	ORIGINAL DATE <u>2/15/2023</u>
SHORT TITLE <u>Driver Safety Awareness License Plates</u>	BILL NUMBER <u>CS/House Bill 287/HTPWCS</u>
	ANALYST <u>Hanika-Ortiz</u>

REVENUE* (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
None	\$3.9	\$1.9	Recurring	Motorcycle Training Fund (NMDOT)

Parentheses () indicate revenue decreases.
*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
TRD	No fiscal impact	\$26.6	Indeterminate but minimal	Indeterminate but minimal	Recurring	MVD operating fund

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Department of Transportation (NMDOT)
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HTPWC Substitute for House Bill 287

The House Transportation, Public Works and Capital Improvements Committee Substitute for House Bill 287 adds a new section to the Motor Vehicle Code to establish a special license plate to support driver awareness and remind drivers to look twice for motorcycles.

FISCAL IMPLICATIONS

The revenue and operating budget impact tables illustrate 100 requests for the new special plate,

thanks to NMDOT. For instance, for every 100 plates, the revenue to the motorcycle training fund at NMDOT would be \$3.9 thousand in year one and \$1.9 thousand each year thereafter.

The special plate would be available for a \$45 initial fee and a \$15 annual renewal fee. Of that amount, \$12 of the initial fee collected would be retained by the Motor Vehicle Division (MVD) to cover the cost of manufacturing and issuing the special plate, and \$33 would be distributed to the motorcycle training fund at NMDOT, as would the entire \$15 annual renewal fee.

According to MVD, the estimated time to develop, test and implement the changes is approximately 480 hours or 12 weeks for an estimated \$26.6 thousand of staff workload cost.

Revenue generated from the plates will go to the motorcycle training fund to support NMDOT's efforts to promote driver awareness and provide motorcycle operator training statewide. However, NMDOT is concerned the revenue will not be sufficient to support the bill's mandate.

SIGNIFICANT ISSUES

The purpose of the plate is to show that the driver of the vehicle supports driver safety awareness of those who share the road, and remind drivers to look twice for motorcycles. It is unknown how many of these special license plates will be requested initially and renewed each year.

The revenue table reflects a \$2 fee increase per plate which was requested by MVD in its analysis of the original bill. The cost of manufacturing and distributing license plates has increased significantly, because of increases in aluminum and other materials and shipping costs.

The bill includes two new subsections that were not in the original bill for discontinuing a special plate after a certain time. Subsection (D) says beginning July 1, 2026, and on July 1st each year thereafter, TRD shall compare the number of plates issued in the previous fiscal year with the average number of plates issued in FY24 and FY25. Subsection (E) says by September 1st of each year, if the number of plates issued in the previous fiscal year is less than 50 percent of the average number of plates issued in FY24 and FY25, then TRD shall stop issuing the plate.

PERFORMANCE IMPLICATIONS

Creation of the new special plate must be in accordance with Section of 66-3-424(D)(2) NMSA 1978 "...shall provide a prepayment to the division (MVD) in an amount sufficient to cover the plate and logo costs of the initial order". Typically, MVD reports the initial fee to purchase plates is \$800; \$250 for design/artwork costs and \$5.50 for each plate in the initial batch of 100 plates.

TECHNICAL ISSUES

Because of the process involved, agencies asked to move the effective date to January 1, 2024.

AHO/rl/ne