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FISCAL IMPACT REPORT

LAST UPDATED _____

SPONSOR Munoz **ORIGINAL DATE** 2/27/23

BILL

SHORT TITLE NM Miners License Plate **NUMBER** Senate Bill 142

ANALYST Anderson

REVENUE* (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
No fiscal impact	\$1.0-\$20.0	\$1.0-\$20.0	Recurring- for as long as the plate is issued	MVD Suspense Fund

Parentheses () indicate revenue increases.

*Amounts reflect most recent version of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	\$26.6			\$26.6	Nonrecurring	MVD Suspense Fund- staff workload

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent version of this legislation.

Relates to Senate Bill 276, House Bill 141, Senate Bill 284, and House Bill 240.

Sources of Information

LFC Files

Responses Received From

Taxation Revenue Department (TRD)

SUMMARY

Synopsis of Senate Bill 142

Senate Bill 142 creates a new specialty license plate with a logo designed as specified in Section 66-3-424 NMSA 1978 commemorating New Mexico miners.

Section 1 Part B outlines the fees for the special registration plate. For an initial fee of \$20 in addition to the regular motor vehicle registration fees, a motor vehicle owner may apply for issuance of a New Mexico miner's special registration plate. The owner shall pay a renewal fee

of \$20 each year to retain and renew the special registration plate.

Part C outlines the distribution from the fees imposed by Part B:

- \$10 of the initial fee collected shall be retained by TRD to manufacture and issue the special registration plates.
- \$10 of the initial fee and the entire renewal fee of \$20 shall be distributed to the Miner's Hospital of New Mexico to be used for chronic illness research.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

The \$10 fee established by this bill will go to MVD for the manufacture and issuance of the initial plates and \$10 plus the entire renewal fee will go to miner's chronic health illness research. TRD stated MVD cannot anticipate how many of these plates will be requested. TRD notes the initial cost of creating a new plate is typically about \$800: about \$250 for the design costs and \$5.50 per plate in the initial batch of 100.

If 100 individuals purchase a plate in FY24, \$2,000 in revenue would be generated. The amount would double if license plates are renewed for FY25. If renewals are limited, around \$1,000 could be expected to go towards chronic illness research to the miner's hospital. If 100 individuals purchase plates and renewals in FY24, about another \$3,000 could be generated towards chronic illness research for the Miner's Hospital. If 500 individuals purchase plates and renewals, as much as \$20 thousand in revenue could be generated, providing for \$15 thousand going towards research, which could be substantial but the demand for this specialty license plate is unknown.

Implementation of this bill will have a moderate impact on TRD's Information Technology Division. The estimated time to develop, test, and implement the changes is approximately 480 hours (12 weeks) for an estimated \$26,659 of staff workload cost. This bill allows changes in the vehicle special plate fee process, registration fee calculation, and distributions. Application and configuration changes are required to the system.

SIGNIFICANT ISSUES

TRD reports the total cost of manufacturing and distributing license plates has increased significantly because of increases in material costs, specifically aluminum costs and shipping costs, and suggests the plate fee be increased from \$10 to \$12 to allow for these increased costs. TRD suggests language allowing for the discontinuance of the specialty plate should be included in the bill to prevent the proliferation of specialty plates that are not in high demand. The suggested language:

Beginning on July 1, 2026, and on July 1 of each subsequent year, the department shall compare the number of Miners special registration plates issued or registration renewals for those plates in the previous fiscal year with the average of the number of such plates issued in fiscal years 2024 and 2025. By September 1 of a fiscal year in which TRD determines the number of New Mexico Miners license plates issued or registration

renewals for those plates in the previous fiscal year is less than fifty percent of the average number of such plates issued in fiscal years 2024 and 2025, the department shall stop issuing New Mexico Miner special registration plates.

ADMINISTRATIVE IMPLICATIONS

The additional staff hours and department resources needed to implement Senate Bill 142 is unlikely to represent a major administrative burden for the department.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 142 relates to Senate Bill 276, which would authorize a new specialty plate commemorating Make-a-Wish license plate, and House Bill 141, which would authorize a new specialty plate for “concerns of police survivors” (C.O.P.S). It also relates to Senate Bill 284 which authorizes a new specialty plate for New Mexico Special Olympics, as well as House Bill 240, which authorizes a new specialty plate for Acequia and Community Ditches. Senate Bill 305 authorizes a Route 66 specialty plate.

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