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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 2/1/23

SPONSOR Lopez/ Sharer/ Padilla

BILL

SHORT TITLE Special Olympics License Plate **NUMBER** Senate Bill 284

ANALYST Anderson

REVENUE* (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	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
Initial plate production		\$0.8		\$34.7	Nonrecurring	MVD Suspense Fund
Staff time		\$26.6		26.6	Nonrecurring	TRD operating budget
Total		\$27.40		\$61.30		

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent version of this legislation.

Relates to Senate Bill 142, House Bill 14, Senate Bill 276, and House Bill 240.

Sources of Information

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Senate Bill 284

Senate Bill 284 would create a new specialty license plate to celebrate the New Mexico Special Olympics. The plates would cost \$10 in addition to the regular plate fee and the money would go to the motor vehicle suspend fund to defray the costs.

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

FISCAL IMPLICATIONS

The \$10 fee established by this bill will go to the Motor Vehicle Division of TRD for the manufacture and issuance of the initial plate to the applicant. 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.

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, and suggests the plate fee be increased from \$10 to \$12. 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 New Mexico Special Olympics 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 Special Olympics 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 Special Olympics special registration plates.

ADMINISTRATIVE IMPLICATIONS

The additional staff hours and department resources needed to implement Senate Bill 284 is unlikely to represent a major administrative burden for the department.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 284 relates to Senate Bill 142, which would authorize a new specialty plate commemorating New Mexico miners, and House Bill 141, which would authorize a new specialty plate for "concerns of police survivors." It also relates to Senate Bill 276, which authorizes a new specialty plate for Make-A-Wish, as well as House Bill 240, which authorizes a new specialty plate for acequia and community ditches.

TECHNICAL ISSUES

The title of the bill includes the language "making an appropriation." This language is reserved for bills that make an appropriation or create a tax expenditure. This might represent a technical error.

GA/rl/hg