

BILL ANALYSIS AND FISCAL IMPACT REPORT
Taxation and Revenue Department

February 21, 2025

Bill: HB-474

Sponsor: Representative Martin R. Zamora

Short Title: Trail Life USA Special Registration Plate

Description: This bill creates a new section of Chapter 66, Article 3 NMSA 1978, providing for the issuance of a new “Trail Life USA” special registration plate beginning January 1, 2026. The initial fee is \$35 in addition to the regular vehicle registration fees and a renewal fee of \$30 each year to retain and renew the plate. Revenue from the additional fees collected shall be distributed as follows: \$12 of the initial fee retained by the Motor Vehicle Division (MVD) for manufacture and issuance of the plate; \$23 of the initial fee and the entire renewal fee appropriated to the State Parks Division of EMNRD to acquire, develop, operate and maintain state parks and recreation areas.

MVD may stop issuing Trail Life USA plates if the number of plates issued and renewed in the previous fiscal year drops below 50% of the annual average of plates issued and renewed between fiscal years 2026 and 2031.

Effective Date: January 1, 2026

Taxation and Revenue Department Analyst: Htet Gonzales and Sean Bulian – Motor Vehicle Division

Estimated Revenue Impact*					R or NR**	Fund(s) Affected
FY2025	FY2026	FY2027	FY2028	FY2029		
	Unknown				R	MVD Suspense Fund

* In thousands of dollars. Parentheses () indicate a revenue loss. ** Recurring (R) or Non-Recurring (NR).

Methodology for Estimated Revenue Impact: It is unknown how many of these plates will be requested. MVD’s total cost of manufacturing and distributing each license plate is approximately \$10, which includes materials and shipping. The \$12 fee retained by MVD will be adequate to cover the initial costs for the manufacture and issuance of the initial plate to the applicant. Creation of the new specialty plate must be in accordance with existing state statute under Section 66-3-424 NMSA 1978 (Standardized Special Registration Plates with Logos), in particular “Shall provide a prepayment to the division in an amount sufficient to cover the plate and logo costs of the initial order”. Typically, the initial fee to purchase plates is \$800; \$250 for design/artwork costs while \$5.50 is charged for each plate in the initial batch of 100.

Policy Issues: None

Technical Issues: This bill does not specifically say that the Trail Life USA Registration Plate can be issued to motorcycles as well as passenger vehicles. If it is the intent is to allow the issuance of the Trail Life USA Registration Plate to motorcycles, a new statute specifically addressing this addition should be enacted to be consistent with other specialty plates offered to both vehicles and motorcycles. An example would be the Children Trust Fund plate, under Section 66-3-420 and 66-3-420.1 NMSA 1978.

Other Issues: None

Administrative & Compliance Impact: Implementation of this bill will have a moderate impact on Tax
HB-474 Page 1 of 2 February 21, 2025

& Revenue’s Information Technology Division (ITD). The estimated time to develop, test and implement the changes is approximately 480 hours or 3 months for an estimated \$31,987 of staff workload cost.

This bill requires application and configuration changes to the Tapestry system to create a Trail Life USA license plate process, registration fee calculation and distribution for MVD and the State Parks Division of EMNRD.

This legislation is anticipated to have a low impact on ASD/FDB. The Tapestry System’s general ledger and reporting will need to be updated for the new distribution. Defining business requirements and testing changes to Tapestry and associated reports will take 20 hours for 2.0 existing FTE and will be split between pay band 80 and 70. Fiscal year end reporting will also require updating to accommodate the new distribution.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2025	FY2026	FY2027	3 Year Total Cost		
	\$32			NR	MVD Suspense Fund – Staff Workload Cost
	\$1.3			NR	Operating

* In thousands of dollars. Parentheses () indicate a cost saving. ** Recurring (R) or Non-Recurring (NR).

Related Bills: