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FISCAL IMPACT REPORT

SPONSOR <u>Jaramillo</u>	LAST UPDATED <u>2/28/2025</u> ORIGINAL DATE <u>2/14/2025</u>
SHORT TITLE <u>Lowrider Capital License Plate</u>	BILL NUMBER <u>Senate Bill 327</u>
ANALYST <u>Leger</u>	

REVENUE* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
Fee	No fiscal impact	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal loss	Indeterminate but minimal loss	Recurring	MVD Suspense Fund
Fee	No fiscal impact	Indeterminate but minimal gain	Indeterminate but minimal gain	Indeterminate but minimal gain	Indeterminate but minimal gain	Recurring	Department of Cultural Affairs

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
TRD MVD	No fiscal impact	(\$42.7)	No fiscal impact	(\$42.7)	Recurring	Other state funds

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

New Mexico Tourism Department (TD)

New Mexico Taxation and Revenue Department (TRD)

Department of Cultural Affairs (DCA)

SUMMARY

Synopsis of Senate Bill 327

Senate Bill 327 (SB327) enacts a new section of the motor vehicle code to create a lowrider capital of the world special registration plate for cars, trucks, motorcycles, and tow trailers. The plate would have a logo designed pursuant to Section 66-3-424 NMSA 1978, developed by the Motor Vehicle Division (MVD) in collaboration with the Espanola Lowrider Association. The initial fee for the plate would be \$50 in addition to regular motor vehicle or tow trailer registration fees, or \$40 in addition to the regular motorcycle registration fee, and the renewal fee

would be \$20. Of the additional motor vehicle or tow trailer fees, \$12 of the initial fee would be retained by MVD to defray the cost of making and issuing the plate and \$38 of the initial registration fee, and the entire \$20 of subsequent renewal fees, would be distributed to the Department of Cultural Affairs (DCA) for the development of museum exhibits explaining the importance of lowrider history and culture. For the additional fees for motorcycles, \$7 would be retained by MVD to defray the cost of making and issuing the plates and \$33 of the initial fee and the entire \$20 renewal would be distributed to DCA. The bill provides a formula starting in 2028 to determine whether MVD should continue to offer the plate.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

MVD says the creation of the new specialty plate must be in accordance with existing state statute under Section 66-3-424 NMSA 1978, which requires prepayment to the division in an amount sufficient to cover the plate and logo costs of the initial order. The initial fee to purchase plates is \$800: \$250 for design and artwork costs while \$5.50 is charged for each plate in the initial batch of 100.

Revenues from fees (\$38 from initial registration fee and \$20 from renewal fee) will go to DCA to create and distribute materials or for the development of museum exhibits explaining the importance of lowrider history and culture to the world and New Mexico. It is estimated the revenue will be minimal, while DCA acknowledges it relies on outside financial support to develop exhibits and programming.

Implementation of this bill will have a moderate impact on TRD's Information Technology Division. The agency estimates time to develop, test and implement the changes of approximately 640 hours, or 4 months, for an estimated \$42.7 thousand of staff workload cost.

SIGNIFICANT ISSUES

The New Mexico Tourism Department (TRD) reports it is currently promoting the Route 66 Centennial and hopes to attract car enthusiasts, historians, and collectors. A stronger official connection to lowrider culture might lead to an increase for event promotion in relation to lowriders, potentially boosting museum visits and tourism activities.

TRD provides the following breakdown of the fiscal impact of SB327:

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 will be adequate to cover MVD's initial costs for producing and issuing the motor vehicle version license plate. The \$7 fee will not be sufficient to cover MVD's initial costs for producing and issuing the motorcycle version license plate. MVD recommends that both plate versions have a similar fee of \$12 to be retained by MVD.

DCA highlights recent lowrider exhibits at two of its museums:

In 2016, *Con Carino: Artists Inspired by Lowriders* was featured at the New Mexico Museum of Art. In 2017, *Lowriders, Hoppers, and Hot Rods: Car Culture of Northern New Mexico* was a major exhibit at the New Mexico History Museum.

ADMINISTRATIVE IMPLICATIONS

TRD expresses concern about the proposed effective date:

The process of creating the artwork for specialty plates as well as the approval processes both internal and with the requesting party can be lengthy, MVD requests that the effective date of this bill be January 1, 2026, instead of July 1, 2025.

TECHNICAL ISSUES

DCA recommends the following amendment be considered to maximize the potential of this funding:

On page 3, line 12 after materials, insert “provide educational programming and events.”

TRD highlights two items for reconsideration:

This bill proposes the issuance of a plate for a “tow trailer”; however, the term “tow trailer” is not currently defined in statute, creating ambiguity regarding what type of trailer this applies to. Additionally, certain trailers, such as tow dollies and motorcycle trailers, are exempt from registration, while others, such as utility and box trailers, are already registered and assigned distinct trailer plates that include “TR” for proper identification. Introducing a separate plate for “tow trailers” would add unnecessary complexity and increase the variety of specialty plates that MVD must manage. MVD recommends removing the provision for a tow trailer plate from this bill.

The bill proposes that MVD shall issue “a standard lowrider capital of the world special registration plate for motorcycles with the same design as the motor vehicle plates issued”. Motorcycle plates are much smaller than motor vehicle plates and do not consistently allow for the same design. It is recommended that the language be updated from “same design” to “similar design”.