

SESSION OF 2012

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE
BILL NO. 2431**

As Amended by House Committee of the Whole

Brief*

Sub. for HB 2431, as amended, would allow a county treasurer to accept royalties to be paid to sponsoring organizations for use of their logos on certain specialized license plates.

The bill would make this type of change in statutes regarding these license plates (and benefiting this organization or fund):

- Any distinctive license plate issued after January 1, 2013, for which a royalty fee is to be paid;
- Educational institution (Regents institutions, any municipal university, certain not-for-profit independent institutions of higher education, any Kansas community college, and Haskell Indian Nations University) (the institution's officially recognized alumni association or foundation);
- Children's Trust Fund (Family and Children Trust Account of the Family and Children Investment Fund);
- Kansas Foundation for Agriculture in the Classroom (Kansas Foundation for Agriculture in the Classroom);
- Shriners (Shrine Temple);

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Helping Schools (State Board of Education Helping Schools License Plate Program Fund);
- Breast Cancer Research and Outreach (University of Kansas Cancer Center);
- Support Kansas Arts (Kansas Arts Commission Special Gifts Fund);
- Boy Scouts of America (Boy Scouts of America); and
- I'm Pet Friendly (Kansas State University Veterinary Medical Center).

For the listed license plates already available, the bill would allow the Director of Vehicles to transfer these license plates from a leased vehicle to a purchased vehicle and allow a county treasurer to accept a faxed emblem or logo use authorization statement.

The bill would require an applicant for one of these license plates to allow the Division of Vehicles to release certain motor vehicle record information (applicant's name, address, logo use royalty payment amount, plate number, school district, and vehicle type) to the organization to whom the royalty payment is to be made and to the State Treasurer.

The bill would create these funds in the state treasury to receive royalty payments for use of emblems or logos:

- Educational Institutions Emblem Royalty Fund to receive royalties for educational institutions which are not state educational institutions (*e.g.*, Washburn University) (fees for state educational institutions would be deposited in the state treasury to the credit of the appropriate account of the restricted fees fund of such state educational institution);

- Agriculture in the Classroom Royalty Fund;
- Shriner's Royalty Fund;
- Breast Cancer Research Royalty Fund; and
- Boy Scouts of America Royalty Fund.

The State Treasurer would credit royalty payments received for distinctive license plates issued after January 1, 2013, into a segregated royalty fund, with payments to be made to the entity benefiting from the plate's issuance.

The bill would remove or replace outdated language and make technical corrections.

The bill would become effective January 1, 2013.

Background

A representative of the K-State Alumni Association, representing the alumni associations of all seven Regents public universities, testified in support of the original bill. A representative of the Kansas County Officials Association, a representative of the Kansas County Treasurers Association, and the Director of Vehicles also testified in support of the bill. No other testimony was presented. Kansas State Treasurer Ron Estes provided information and suggested amendments during discussion on the substitute bill.

The current procedure for getting a specialty license plate for which a royalty is paid requires the vehicle owner to submit a request and the royalty fee to the sponsoring organization, then take documentation of payment to the county treasurer for the license plate. According to testimony, the bill would allow the entire transaction to be done at the county treasurer's office. The amounts of royalties that must be paid range from \$25 to \$100.

The original bill would have made this change only for educational institution license plates. The House Committee on Transportation's substitute bill, suggested by the Director of Vehicles, extends this change to all license plates currently being issued for which royalty payments are made for use of emblems or logos. The House Committee on Transportation amended the substitute bill at the suggestion of the State Treasurer.

The House Committee of the Whole amended the bill to allow the State Treasurer's designee, in addition to the State Treasurer, to approve vouchers for royalty payments to sponsoring organizations and to make a technical change.

The fiscal note on the original bill states the Department of Revenue would increase its expenditures in FY 2013 by \$52,644, for programming. No fiscal note was available on the substitute bill when the House Transportation Committee or the House Committee of the Whole took action.