

SESSION OF 2018

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2599**

As Amended by House Committee of the Whole

**Brief\***

HB 2599, as amended, would authorize Special Olympics, Choose Life, and City of Wichita distinctive license plates for issuance on and after January 1, 2019.

***Special Olympics License Plate***

The bill would authorize a Special Olympics license plate to be issued to the owner or lessee of a passenger vehicle or truck registered for a gross weight of 20,000 pounds or less. The bill would allow any owner or lessee to apply for the new plate after paying annual vehicle registration fees and a logo use royalty fee of between \$25 and \$100 to the organization Special Olympics Kansas. Royalties would be deposited into the Special Olympics Kansas Royalty Fund, which the bill would create. Payments from the Special Olympics Kansas Royalty Fund would be made on a monthly basis to the appropriate designee of Special Olympics Kansas. Special Olympics Kansas would pay initial costs and work with the Director of Vehicles (Director), Department of Revenue, to design the plate.

***Choose Life License Plate***

The bill would authorize a Choose Life license plate to be issued to the owner or lessee of a passenger vehicle or truck registered for a gross weight of 20,000 pounds or less, a motorcycle, or a travel trailer. No logo use royalty fee would

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\*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>

be associated with this license plate. Provisions requiring a sponsoring organization to pay a nonrefundable amount to defray Division of Vehicles (Division) costs to develop a new license plate would not apply, but the Division would delay the manufacturing and issuance of this license plate until the Division has received at least 1,000 orders for such plate.

### ***City of Wichita License Plate***

The bill would authorize a City of Wichita license plate to be issued to the owner or lessee of a passenger vehicle or truck registered for a gross weight of 20,000 pounds or less. The bill would allow any owner or lessee to apply for the new plate after paying annual vehicle registration fees and a logo use royalty fee of between \$25 and \$100 to the City of Wichita. The bill would specify any royalty payment received shall be used to support physical assets identified by the Wichita Parks Foundation (Foundation) and for license plate administrative costs incurred by the Foundation. Royalties would be deposited into the City of Wichita Royalty Fund, which the bill would create. Payments from the City of Wichita Royalty Fund would be made on a monthly basis to the appropriate designee of the City of Wichita. The City of Wichita would pay initial costs and work with the Director to design the plate. It also would be responsible to establish a toll-free number applicants can call for information concerning the application process or the status of an application.

### **Background**

The amended bill includes provisions of HB 2599, as introduced; HB 2678; and SB 273.

### ***HB 2599 (Special Olympics)***

The House Committee on Transportation introduced the bill at the request of Representative Schreiber on behalf of

the Special Olympics. In the House Committee hearing, a representative of Special Olympics Kansas, Inc., provided proponent testimony on the bill and described the activities of the organization. A Special Olympics athlete also provided proponent testimony. No neutral or opponent testimony was provided.

The House Committee amended the bill to add the provisions of HB 2678. The House Committee of the Whole amended the bill to add contents identical to those of SB 273.

***HB 2678 (Choose Life)***

The bill was introduced by the House Committee on Transportation at the request of Representative Jacobs. In the House Committee hearing, Representative Jacobs, Senator Hilderbrand, and representatives of Concerned Women for America of Kansas and Family Policy Alliance of Kansas testified as proponents. Written-only proponent testimony was received from Representative Burris, a representative of the Kansas Catholic Conference, and multiple private citizens. No neutral or opponent testimony was provided.

***SB 273 (City of Wichita)***

The bill was introduced by the Senate Committee on Transportation at the request of a representative of the City of Wichita. In the Senate Committee hearing, Senator Faust-Goudeau and a representative of the Wichita City Council testified in favor of the bill. The proponents stated Wichita residents have embraced the flag as the symbol of the City and there is a demand for a flag license plate.

No neutral or opponent testimony was provided.

### ***Fiscal Effects***

Under continuing law, each of these distinctive license plates would be subject to the personalized license plate fee of \$40 (KSA 2017 Supp. 8-1,141(a)).

According to the fiscal note prepared by the Division of the Budget on HB 2599, as introduced, the Department of Revenue (Department) indicates Special Olympics license plates could generate \$19,625 to be deposited into the State Highway Fund (SHF) with an initial issuance of 500 license plates. The Department estimates costs for creating the plates at \$4,405. Special Olympics Kansas, Inc., would be responsible for paying up to \$20,000 in initial production costs. Production of the plates would not begin until the Department has a list of at least 500 initial customers.

According to the fiscal note prepared by the Division of the Budget on HB 2678, the Department indicates Choose Life license plates could generate \$39,250 to be deposited into the SHF with an initial issuance of 1,000 license plates. The Department estimates costs for creating the plates at \$7,980. Because the Choose Life license plate does not have an organizational sponsor, the Department indicates it could create a pre-order process internally, but this cost could not be estimated. Production of the plates would not begin until the Department has a list of at least 1,000 initial customers.

According to the fiscal note prepared by the Division of the Budget on SB 273, the Kansas Department of Revenue estimates enactment of the bill would require additional expenditures of \$4,405 in FY 2019. The City of Wichita would be responsible to pay a nonrefundable amount not to exceed \$20,000 to the Division to offset the costs for developing the license plates. The League of Kansas Municipalities estimates the toll-free phone number will cost approximately \$3 per month. The Kansas Association of Counties indicates county treasurers' offices would be able to handle the processing requirements of a new distinctive license plate without incurring additional costs.

Any fiscal effect associated with HB 2599, as introduced, HB 2678, or SB 273 is not reflected in *The FY 2019 Governor's Budget Report*.