

February 9, 2022

The Honorable Richard Proehl, Chairperson  
House Committee on Transportation  
Statehouse, Room 582-N  
Topeka, Kansas 66612

Dear Representative Proehl:

**SUBJECT:** Fiscal Note for HB 2597 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2597 is respectfully submitted to your committee.

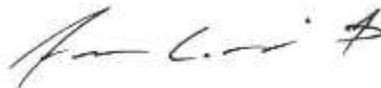
HB 2597 would allow the Kansas Department of Wildlife and Parks to establish the following four new distinctive license plates: state parks, hunting, fishing, and nongame wildlife. The bill would allow any Kansas resident who is the owner or lessee of a passenger vehicle, motorcycle, or truck of a gross weight of 20,000 pounds or less to be issued a Kansas Department of Wildlife and Parks license plate for each vehicle on and after January 1, 2023. The distinctive plates would be issued upon proper registration and payment of the regular license fee as provided in KSA 8-143, and a Wildlife and Parks license plate royalty payment to the county treasurer. The Secretary of Wildlife and Parks would set a royalty payment of at least \$40, but not more than \$100 for each application or renewal for a license plate. License plates would not be allowed to be transferred to another person but could be transferred from a leased to a purchased vehicle. An applicant would be required to consent to the release of the following information to the Kansas Department of Wildlife and Parks and the State Treasurer: applicant's name, address, royalty payment amount, plate number, and vehicle type.

Annual royalty payments collected by county treasurers would be remitted to the State Treasurer and credited to the Parks Fee Fund of the Department of Wildlife and Parks. Of the amount collected for a hunting, fishing, or nongame wildlife license plate, an amount equal to the current cost of an annual park and recreation motor vehicle permit would be retained in the Parks Fee Fund and the remaining amount would be credited to the Wildlife Fee Fund of the Department of the Wildlife and Parks. A license plate issued under HB 2597 would constitute an annual park and recreation motor vehicle permit.

The Department of Wildlife and Parks estimates the license plate will generate \$450,000 annually from the royalty payment. Currently, an annual park and recreation motor vehicle permit costs \$15 and the agency estimates that many individuals that already pay for these permits would purchase the license plate and therefore this amount would not be additional income generated from the \$40 royalty payment, which would make the net increase \$25 or 62.5 percent of the total payment. The agency estimates HB 2597 would generate new income that would total \$281,250 ( $\$450,000 \times 62.5$  percent =  $\$281,250$ ) per year. However, given the first issuance of the plate would not occur until January 1, 2023, FY 2023 revenues would be estimated at \$140,625. In addition, the Department would also pay the Department of Revenue \$20,000 ( $\$5,000 \times 4$  plates =  $\$20,000$ ) for production costs of the plates.

The Department of Revenue estimates HB 2597 would increase its expenditures by \$8,760 in FY 2023 for administrative costs related to quality assurance testing, user acceptance testing, updating policy and procedures, and plate design. The Department estimates the bill would increase revenues by \$40,000 from a \$40 personalized plate fee assuming an initial issuance of 1,000 license plates. Of that amount, \$39,250 would go to the State Highway Fund ( $1,000$  plates  $\times$   $\$39.25$  =  $\$39,250$ ) and \$375 would go to county treasurers ( $1,000 \times \$0.75$  =  $\$750$ ). In addition, the Department estimates the bill would increase revenues to the Distinctive License Plate Fund by \$20,000 ( $\$5,000 \times 4$  plates =  $\$20,000$ ) for a nonrefundable fee required from the Department of Wildlife and Parks who is the sponsor of the new distinctive license plates, which is used to defray the cost to develop the new plate. Any fiscal effect associated with HB 2597 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Lynn Robinson, Department of Revenue  
Terry Bruce, Wildlife & Parks