

March 3, 2011

The Honorable Gary Hayzlett, Chairperson
House Committee on Transportation
Statehouse, Room 274-W
Topeka, Kansas 66612

Dear Representative Hayzlett:

SUBJECT: Fiscal Note for HB 2247 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2247 is respectfully submitted to your committee.

HB 2247 would create a new "Masonic Lodge" distinctive license plate. The bill would allow the owner or lessee of one or more passenger vehicles or trucks of a gross weight of 20,000 pounds or less to be issued one distinctive plate for each passenger vehicle or truck. The bill would authorize the Masonic Grand Lodge of Kansas the use of its logo to be placed on license plates; allow any motor vehicle owner or lessee to apply annually to the Lodge for the use of the logo; and authorize the Lodge to charge a \$10 fee as a logo use royalty payment for each license plate issued. The bill would require that royalty payments to the Lodge be used to support the Grand Lodge of Kansas Endowment Fund and require the Grand Lodge to pay the initial cost of silk screening the license plates. The Lodge would also be allowed to design the plate, subject to the approval of the Director of Vehicles of the Department of Revenue.

HB 2247 would prohibit the transfer of registration or the license plate to another person; require annual registration renewals; and deny registration renewals to applicants until they present the annual logo use authorization statement. The bill would also require the applicant to return the license plate to the county treasurer if the applicant fails to present the logo authorization statement at the time of registration. Finally, the bill would make available to county treasurers a toll-free telephone number where applicants can call the Lodge for information concerning the application process or status of their application. The effective date of the bill is January 1, 2012.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	\$36,120
Expenditure	--	--	--	\$24,780
FTE Pos.	--	--	--	--

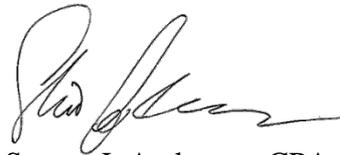
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Page 2—Fisc_Note_Hb2247

The Department of Revenue indicates that each distinctive plate would be subject to the \$40 personalized license plate fee and the \$0.50 reflectorized license plate fee, and the cost to manufacture each plate is \$8.26. Therefore, the Department estimates that the 500 plate minimum would increase revenue to the State Highway Fund by at least \$16,120 ($\$40.00 + \$0.50 - \$8.26 = \32.24×500) in FY 2012. Additionally, current law requires the sponsor of a new specialty plate to pay a nonrefundable fee of \$20,000 to the Department to defray the cost of developing the new plate, which would be deposited in the Distinctive License Plate Fund. The Division of Vehicles indicates that an initial quantity of 3,000 plates would be needed in order to have a sufficient inventory in all counties. The Division estimates the cost to design, manufacture, and ship the plates would be \$24,780 ($3,000 \times \8.26 per plate). The Department indicates the costs to modify the new Division of Motor Vehicles System would be negligible and could be absorbed within existing resources. Any fiscal effect associated with HB 2247 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue