

January 31, 2012

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

Dear Representative Hayzlett:

**SUBJECT:** Fiscal Note for HB 2499 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2499 is respectfully submitted to your committee.

HB 2499 would create a “Masonic Lodge” distinctive license plate. The bill would allow any owner or lessee of a passenger vehicle or truck registered for a gross weight of 20,000 pounds or less to apply for the new plate effective on and after January 1, 2013. In addition to being issued the license plate, the vehicle owner or lessee may request a decal of various masonic designations, such as previous offices held in the organization and organizational affiliations, as determined by the Grand Lodge of Kansas. There would be a fee for each decal issued, which would be determined by the Grand Lodge of Kansas.

The bill would also provide that the Grand Lodge of Ancient Free and Accepted Masons of Kansas may authorize the use of their logo to be placed on license plates. Any royalty payment received would be divided to support the Kansas Masonic Library and Museum and other charities through Kansas Freemasons Charities, Inc. The royalty payment would be between \$20 and \$100. The Grand Lodge of Ancient Free and Accepted Masons of Kansas would be required to pay the initial cost of silk-screening the license plates and provide to all county treasurers a toll-free telephone number where applicants could call the Grand Lodge of Kansas for information concerning the application process or the status of their license plate application.

Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	--	\$36,120
Expenditure	--	--	--	\$27,308
FTE Pos.	--	--	--	--

The Department of Revenue estimates that HB 2499 would increase revenue to the Distinctive License Plate Fund by \$20,000 in FY 2013. The Department indicates that the sponsor of a new specialty plate is required to provide the \$20,000 nonrefundable fee under the provisions of KSA 8-1,141 for the purpose of defraying the cost to develop the new plate. If the 500 license plate minimum is met, new distinctive license plates are also subject to a \$40 personalized plate fee and a \$0.50 reflectorized plate fee, which is charged on all newly issued plates. With a 500 plate minimum, the fees would increase revenue to the State Highway Fund by \$16,120. This amount is offset with additional manufacturing costs of \$8.26 per plate ( $\$40 + \$0.50 \times 500 \text{ plates} = \$20,250 - \$4,130 (\$8.26 \times 500 \text{ plates}) = \$16,120$ ).

The Department estimates that HB 2499 would increase expenditures to the Division of Vehicles Operating Fund in FY 2013 by \$24,780 ( $\$8.26 \times 3,000 \text{ plates}$ ) to design, manufacture, and ship 3,000 license plates to the county treasurers' offices, which would be required to have sufficient inventory in all counties. The Department estimates the costs to modify the motor vehicles registration system to implement the provisions in the bill would be \$2,528 (16 hours x \$158 per hour) from the Division of Vehicles Operating Fund in FY 2013. Any fiscal effect associated with HB 2499 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,



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

cc: Steve Neske, Revenue  
Melissa Wangemann, Kansas Association of Counties