

SESSION OF 2012

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2432

As Amended by Senate Committee on
Transportation

Brief*

HB 2432, as amended, would authorize Ducks Unlimited license plates and Masonic Lodge license plates for passenger vehicles and small trucks, to be issued on and after January 1, 2013. Anyone who wishes to receive a Ducks Unlimited or Masonic Lodge license plate would pay a royalty amount of at least \$25 but not more than \$100 to Ducks Unlimited or to the Grand Lodge of Ancient Free and Accepted Masons (Grand Lodge) for use of the organization's logo before receiving such a plate, in addition to other license plate fees. Ducks Unlimited and the Grand Lodge would be required to pay the initial costs of developing the license plates.

The bill also 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 allow this royalty payment option for Ducks Unlimited and Masonic Lodge license plates and amend statutes to make this type of change for 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

*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>

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);
- 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 and the new Ducks Unlimited and Masonic Lodge license plates, 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

The bill would combine the Ducks Unlimited license plate provisions of the original bill with amendments, Masonic Lodge license plate provisions of HB 2499 with amendments, and provisions of Sub. for HB 2431 as amended by the House Committee of the Whole. Provisions would be uniform for license plates for which royalties are paid.

The state chairman of Kansas Ducks Unlimited testified

in support of the original bill before the House Transportation Committee and provided written testimony to the Senate Transportation Committee. There was no other testimony.

A representative of the Grand Lodge testified in support of HB 2499 before the House and Senate Transportation Committees and requested a minor amendment in testimony before the latter. There was no other testimony.

State Treasurer Ron Estes spoke to the Senate Transportation Committee regarding procedures for transferring royalty payments from the State Treasury to the sponsoring organizations.

The Senate Transportation Committee amended the bill to add Masonic Lodge license plates, incorporate the provisions of Sub. for HB 2431 as amended by the House Committee on Transportation, and ensure the provisions relating to Ducks Unlimited and Masonic Lodge license plates are consistent with provisions of Sub. for HB 2431.

The following fiscal note information is available for the bill:

- The initial cost of developing the Ducks Unlimited license plate was estimated at \$20,000 in the fiscal note prepared by the Division of the Budget. Current law requires a guarantee of an initial issuance of at least 500 license plates. According to the fiscal note, the bill would increase revenues by \$35,870 with expenditures of \$24,780 to design, manufacture, and ship the license plates.
- The Department of Revenue estimated the Masonic Lodge license plate would increase its expenditures by \$24,780 to manufacture the plates and by \$2,528 to modify the motor vehicles registration system, \$27,308 total. The fiscal note also says the Department estimated the bill would increase total revenues by \$36,120. The

nonrefundable fee to be paid by the Grand Lodge to develop the plate was estimated at \$20,000.

- The fiscal note on the original HB 2431 states the Department of Revenue would increase its expenditures in FY 2013 by \$52,644, for programming. No fiscal note on the substitute bill was available at the time the House or Senate Transportation Committees took action.