

SESSION OF 2018

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2599

As Amended by Senate Committee on
Transportation

Brief*

HB 2599, as amended, would authorize the following distinctive license plates for issuance on and after January 1, 2019: Special Olympics, Choose Life, City of Wichita, veteran of the Korean War, veteran of Operation Desert Storm, veteran of Operation Iraqi Freedom, and veteran of Operation Enduring Freedom.

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.

*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>

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 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. The City of Wichita would also be responsible for establishing a toll-free number applicants can call for information concerning the application process or the status of an application.

License Plates for Veterans of Specified Military Operations

The bill would authorize separate license plates for veterans of the following conflicts and military operations:

- The Korean War;
- Operation Desert Storm;
- Operation Iraqi Freedom; and
- Operation Enduring Freedom.

For each of those four license plates, the bill would authorize one license plate to be issued to the owner or lessee of a passenger vehicle, a truck registered for a gross weight of 20,000 pounds or less, or a motorcycle if the owner or lessee submits satisfactory proof to the Director, in accordance with rules and regulations adopted by the Secretary of Revenue, that the person is a veteran of the military action for which the veteran is requesting a license plate. The bill would also specify application and registration requirements. No registration or distinctive plate issued under the bill could be transferable to any other person. In the event of the death of any person issued a distinctive license plate under the bill, the surviving spouse, or other family member if there is no surviving spouse, would be entitled to possess, but not display on a vehicle, the distinctive license plate.

The bill would exempt these license plates from requirements for payment of a distinctive license plate fee by the veteran requesting the plate; the number of requests required before issuance; and payments to cover costs of the design, manufacture, and issuance of such plates.

Background

The bill, as amended, includes provisions of HB 2599, as introduced, and SB 404, as well as provisions the same as those of HB 2678 and SB 273.

HB 2599, As Introduced (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 the same as those of SB 273.

In the Senate Committee on Transportation hearing, a representative of Special Olympics Kansas, Inc., and a Special Olympics athlete provided proponent testimony. Proponent testimony on the bill, but particularly on the Choose Life license plate portion of the bill, was provided by Senator Hilderbrand. Written-only proponent testimony on the Choose Life license plate was provided by a representative of the Kansas Catholic Conference. A representative of the City of Wichita provided proponent testimony regarding the City of Wichita license plate. Written-only proponent testimony on the City of Wichita license plate was provided by Senator Faust-Goudeau. No neutral or opponent testimony was provided.

The Senate Committee amended the bill to add the contents of SB 404.

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.

The provisions of HB 2678 were identical to those of SB 397, on which Senators Hilderbrand and Pilcher-Cook provided proponent testimony in the Senate Committee on Transportation hearing. Written-only proponent testimony was received from a representative of the Kansas Catholic Conference and a private citizen. No neutral or opponent testimony was provided on SB 397.

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.

SB 404 (Veterans of Specified Military Operations)

The bill was introduced by the Senate Committee on Transportation at the request of Senator Schmidt, who testified in support of the bill. She stated these license plates had been requested in 2015, but action was deferred until digital license plate production reduced costs. That method of production is expected to begin in August 2018. She noted other license plates related to specific military service or honors have been exempted from the payment and order requirements noted above. A private citizen provided oral-only proponent testimony. No other testimony was provided.

Fiscal Effects

Under continuing law, the Special Olympics, Choose Life, and City of Wichita distinctive license plates would be subject to the personalized license plate fee of \$40 (KSA 2017 Supp. 8-1,141(a)). Current law exempts license plates related to military service (e.g., Vietnam War Veteran and Families of the Fallen license plates) from that \$40 fee. The bill would add the military-related license plates in the bill to those exempted from the fee.

Any fiscal effect associated with these bills is not reflected in *The FY 2019 Governor's Budget Report*.

HB 2599, As Introduced (Special Olympics)

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.

HB 2678 (Choose Life)

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.

SB 273 (City of Wichita)

According to the fiscal note prepared by the Division of the Budget on SB 273, the Department 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.

SB 404 (Veterans of Specified Military Operations)

According to the fiscal note prepared by the Division of the Budget on SB 404, the Department estimates enactment of the bill would require additional expenditures of \$5,930 from the State General Fund, including costs related to updating policies and procedures, product testing, and product development. Each plate would cost \$6.91 for production and mailing.