

SESSION OF 2002

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 506**

As Amended by House Committee of the Whole

**Brief\***

SB 506, as amended, pertains to license plates.

**Educational Institutional and Distinctive License Plates.** This part of the bill would allow municipal universities and accredited, not-for-profit institutions of higher learning to apply for educational institution distinctive license plates. The bill also waives the \$0.50 reflectorized plate fee for distinctive plates that are issued at no charge to the recipient. Recipients of these plates include disabled veterans (KSA 8-161), disabled citizens organizations (KSA 8-161b), former prisoners of war (KSA 8-177c), and holders of the congressional medal of honor (KSA 8-1,145).

**"United We Stand" License Plates.** SB 506 would authorize a new "United We Stand" license plate. The bill would allow Kansas resident owners or lessees of passenger vehicles or trucks with a gross weight of 20,000 pounds or less to be issued one distinctive plate for each passenger vehicle or truck. The plates would be issued for the same time period as other plates and would not be subject to the requirement of an initial issuance of at least 500 license plates. Application would be made not less than 60 days prior to the applicant's renewal of registration date. The plate could not be transferred to another person. The plates would be available on and after January 1, 2003.

**"Masonic Lodge" License Plates.** These provisions would allow a Kansas resident owner or lessee of one or more passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less to be issued one Masonic Lodge license plate for each passenger vehicle or truck. The plates would be issued for the same time period as other

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\*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.accesskansas.org/legislature/>

license plates upon proper registration, payment of the regular license fee, and presentation of the annual logo use authorization statement. The bill also would:

- ! Provide that the Masonic grand lodge of Kansas may authorize the use of its logo to be placed on license plates;
- ! Require that royalty payments to the lodge be used to support the Grand Lodge of Kansas Endowment Fund;
- ! Allow any motor vehicle owner or lessee to apply annually to the lodge for use of the logo;
- ! Authorize the lodge to charge \$10 as a logo use royalty payment for each license plate issued;
- ! Prohibit the transfer of registration or the license plate to another person;
- ! Require annual registration renewals;
- ! Deny registration renewals to applicants until they present the annual logo use authorization statement;
- ! 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.

The bill would further require the lodge to pay the initial cost of silk screening the license plates and 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 lodge, subject to approval of the Director of Vehicles, will design the license plate. The plates would be available for issuance on and after January 1, 2003.

**Motorcycle License Plates for Recipients of the Purple Heart Medal.** These provisions would allow a Kansas resident owner or lessee of a motorcycle who submits satisfactory proof to the Director of Vehicles, that the applicant was awarded a purple heart medal by the United States government, to be issued one distinctive plate for each

motorcycle. Proof also would be required to renew annual registration. The plate would be issued for the same period as other license plates and could not be transferred to another person. The plates would be available on and after January 1, 2003.

**"Drive for the Cure" License Plates.** These provisions would allow a Kansas resident owner or lessee of one or more passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less, to be issued one "Drive for the Cure," license plate for each passenger vehicle or truck. The plates would be issued for the same time period as other license plates upon proper registration, payment of the regular license fee, and presentation of the annual logo use authorization statement.

In addition, the bill would:

- ! Provide that the Secretary of Health and Environment may authorize the use of the logo to be affixed on the plates;
- ! Require royalty payments to be remitted to the State Treasurer, who would deposit the entire amount in the State Treasury to the credit of the Breast and Cervical Cancer Program and Detection Fund;
- ! Allow a motor vehicle owner or lessee to apply annually to the Secretary for use of the logo;
- ! Authorize the Secretary to charge \$50 as a logo use royalty payment for each plate to be issued;
- ! Prohibit the transfer of registration or the license plate to another person;
- ! Require annual registration renewal;
- ! Require an applicant to provide the annual logo use authorization statement before registration renewal can be made;
- ! Require the applicant to return the plate to the county treasurer of the person's residence if the logo use authorization statement is not presented at the time of registration.

The bill further requires the Secretary to pay the initial cost of silk screening for license plates and make available to county treasurers a toll-free telephone number where applicants can call the Secretary for information concerning the application process or the status of their license plate application.

The Secretary, with the approval of the Director of Vehicles, will design the plate. Issuance of the plates would be on and after January 1, 2003.

**Firefighter License Plate.** A House Committee of the Whole amendment would authorize a Kansas resident owner or lessee of one or more passenger vehicles or trucks of a gross weight of 20,000 pounds or less, and who submits satisfactory proof to the Director of Vehicles that the applicant is a firefighter, to be issued one distinctive license plate for each passenger vehicle or truck designating the applicant as a firefighter. The plates would be issued for the same period of time as other license plates upon proper registration and payment of the regular license fee. An applicant must furnish proof to the Director that the applicant is a firefighter. Also, no registration or distinctive license plates can be transferred to any other person. Annual renewals of registration must be made upon payment of the fee. No renewal of registration can be made to an applicant until the person has filed with the Director a form which proves the applicant is a firefighter. If the form is not filed, the applicant must return the distinctive license plate to the county treasurer of the person's residence. The plates would be available on and after January 1, 2003.

## **Background**

The Director of Vehicles testified in support of the original bill which pertains to educational institution distinctive license plates. She explained that current law allows applications for educational institution distinctive license plates from schools regulated by the State Board of Regents, community colleges, and Haskell Indian College. She noted that the original law, however, unintentionally excluded not-for-profit institutions of higher learning and municipal universities from making application for distinctive plates.

The Senate Transportation Committee waived the \$0.50 reflectorized plate fee for disabled citizens organizations and disabled veterans. The change was suggested by the Director of Vehicles.

The House Transportation Committee amendments would authorize the new distinctive license plates as noted in the brief.

The House Committee of the Whole added the amendment pertaining to license plates for firefighters.

The Division of Vehicles indicates that exempting recipients of distinctive plates from the \$0.50 reflectorized license plate fee would have an insignificant impact.

The Division also notes that the effect of amending the definition of "educational institution" and thus expanding the number of schools that can qualify for the educational institution distinctive plate is difficult to estimate. Since the inception of the educational institution plate in 1994, only four institutions (University of Kansas, Kansas State University, Wichita State University, and Pittsburg State University) have qualified with the minimum 500 plates required by the statute. On additional school, Baker University, is close to meeting the minimum requirement, while two schools, Fort Hays and Emporia State, are experiencing difficulty in meeting the minimum requirement. The Division further notes that it is unknown how many additional schools will be interested in this plate or how many plates will be involved. These plates are subject to the provisions of KSA 8-1,141, which requires any new distinctive plates authorized after July 1, 1994, to be subject to the personalized license plate fee prescribed by subsection 9c) of KSA 8-132. This fee is in the amount of \$40. Additionally, the new plates would be subject to the \$0.50 reflectorized plate fee which is charged on all newly issued plates. The state would thus experience a positive cash flow ( $\$40.00 + \$0.50 - \$2.50$ ) of \$38.00 per plate issued.

The Division of Vehicles indicates that using the assumption that 2,000 of the "United We Stand" plates would be issued during FY 2003, the bill would result in \$76,000 in additional revenues to the State Highway Fund and \$9,865 to \$18,475 in additional expenditures for the Division of Vehicles. The additional revenue is the result of 2,000 plates, charged the personalized plate fee, creating new revenue of \$38 each. The additional expenditures would be the result of \$5,000 for the cost of the plates, approximately \$1,175 for 80 hours of system testing,

and additional administrative costs for Vehicle Information Processing System programming between \$3,690 and \$12,300. The lower amount reflects the cost of using in-house programmers, but if in-house programmers are not available, the Department would have to spend up to \$12,300 for contract programmers.

An updated fiscal note on the other license plates is forthcoming.