

SESSION OF 2004

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR HOUSE BILL NO. 2143**

As Amended by Senate Committee of the Whole

Brief*

The bill would amend existing law to establish new procedures and requirements for issuance of distinctive license plates. The bill also would authorize issuance of distinctive license plate decals for recipients of the Bronze Star and Silver Star, and issuance of firefighters', and "Helping Schools" distinctive license plates. In addition, the bill would authorize issuance of certain military veterans' distinctive plates for motorcycles. Finally, the bill would repeal authority for a distinctive license plate for law enforcement officers.

Persons or organizations requesting distinctive license plates.

The bill would require any person or organization sponsoring a distinctive license plate authorized by the Legislature after June 30, 2004, to submit to the Division of Vehicles a non-refundable deposit to defray the Division's cost of developing the requested plate. The amount of the deposit would be set by the Division but could not exceed \$10,000. Except for the deposit for Helping Schools plates, the bill provides that deposits would be credited to the Distinctive License Plate Fund in the State Treasury. These moneys could be used by the Department of Revenue only for development of the distinctive license plates.

New distinctive license plates authorized. The bill would authorize issuance of two new distinctive license plates.

! A "Helping Schools" license plate could be issued beginning January 1, 2005, provided sufficient plates are ordered to guarantee an initial issuance of at least 500. Persons who obtain these plates would not have to pay the personalized license plate fee that is

*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>

applied to most other distinctive license plates, but would pay an annual \$40 royalty fee.

" The State Board of Education, with the approval of the Division of Vehicles, would design the authorized plate. The Helping Schools plate could not be developed by the Division of Vehicles until the State Board of Education had collected sufficient royalty payments to cover the deposit required by the Division for development of the plate (a maximum of \$10,000).

" The annual royalty payment for each license plate issued would be earmarked for a particular school district by the person to whom the license plate is issued. Royalty payments would be deposited in the Helping Schools License Plate Program Fund in the State Treasury.

- Moneys credited to the Fund, except for expenses for development of the license plate and administrative costs, would be allocated and distributed annually on or after July 1, to designated school districts and used to purchase elementary and secondary classroom supplies and equipment.

- Moneys distributed to school districts from the Fund would be considered donations for purposes of school district budgeting and accounting as described by existing law.

! The bill would authorize, as of January 1, 2005, issuance of distinctive license plates for firefighters. Development and issuance of these plates would be subject to general requirements for the development deposit, personal license plate fee, and minimum 500 initial issuance guarantee applicable to other distinctive plates.

Discontinuance of Currently Authorized Distinctive Plates.

Except for education institution plates issued pursuant to existing law, the bill would require the Director of Vehicles to discontinue any distinctive plates authorized between July 1, 1995 and July 1, 2004, if:

! fewer than 500 plates, including annual renewals, are issued by July 1, 2006; and

- ! fewer than 250 plates, including annual renewals, are issued during any two-year period after July 1, 2006.

Educational institution plates (those issued for a Regents university, Washburn, a private college, community college, or Haskell University) would be discontinued by the Director of Vehicles if:

- ! fewer than 500 plates, including annual renewals, are issued for an educational institution by the end of the second year of sales; and
- ! fewer than 250 plates, including annual renewals are issued for an institution in any subsequent two-year period.

Discontinuance of newly authorized distinctive plates. The bill would require the Director to discontinue issuance of distinctive plates authorized after June 30, 2004, if:

- ! fewer than 500 plates, including renewals, are issued by the end of the second year of sales; and
- ! fewer than 250 plates, including renewals, are issued during any subsequent two-year period.

Exemption from personalized license plate fee. The bill would exempt the existing Children's Trust Fund plates from the personalized license plate fee applied to most other distinctive plates.

Decals for Bronze Star and Silver Star recipients. The bill would authorize the Director of Vehicles to provide, after December 31, 2003, a distinctive decal for any person who has been issued a military veteran plate and who has been awarded a Bronze or Silver Star. The decal would indicate branch of the service in which the person served and the medal that was awarded to the person. The decal would cost \$2.

Distinctive motorcycle license plates. The bill would authorize use of certain distinctive license plates on motorcycles as well as on cars and trucks. Plates that could be issued for use on motorcycles would be those issued to: disabled veterans, members of the Kansas

National Guard, former prisoners of war, survivors of Peal Harbor, and recipients of the Purple Heart or the Congressional Medal of Honor.

Background

Conferees who presented testimony to the House Committee on Transportation in support of HB 2143, which was a carryover bill from the 2003 Legislative Session, included the Johnson and Riley County Treasurers. Carmen Alldritt, Director of Vehicles, responded to Committee questions. A representative of Fort Hays State University asked the House Committee to give institutions such as Fort Hays State University time to secure the minimum 500 license plates required by existing law. A representative of the Children's Cabinet Trust Fund, presented testimony in opposition to the bill.

The substitute bill was the product of a House Subcommittee's deliberations during the 2003 Legislative Session.

The House Committee of the Whole amended the bill to include provisions that would permit the use of ampersand characters on personalized license plates. The Senate Committee deleted that provision from the bill.

In addition, the Senate Transportation Committee amended the bill to include provisions authorizing the "Helping Schools" and Bronze Star and Silver Star license plates. Senate Committee amendments also would exempt:

- ! the Bronze and Silver Star plates from provisions requiring a deposit prior to issuance, requiring a guaranteed minimum 500 initial issuance, providing for discontinuance of the plates if insufficient sales are maintained, and requiring purchasers of those plates to pay the fee applied to personalized license plates; and
- ! Children's Trust Fund and Helping Schools license plates from the personalized license plate fee.

The Senate Committee of the Whole amended the bill to delete authorization for the Bronze and Silver Star license plates and to include authorization for decals for recipients of those medals. The Senate Committee of the Whole also amended the bill to allow a number of veterans' plates to be issued for motorcycles as well as cars

and trucks. Finally, the Senate Committee of the Whole amended the bill to create the distinctive firefighters' license plate.

The fiscal note prepared by the Division of the Budget for the introduced version of the bill stated that enactment of the bill would create a need for modifications to the automated tax system. The fiscal note stated that the required programming could be performed by existing staff of the Department of Revenue unless the time allowed for implementation of those changes is too short. Any expenditures for third party programming would be outside the Department's budget as presented in *The Governor's Budget Report*.