

SESSION OF 2004

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2947**

As Recommended by House Committee on  
Appropriations

**Brief\***

The bill would reenact 2004 Sub. HB 2143 which was signed into law on April 21. This bill was required because the bill signed by the Governor contained an engrossing error.

The substance of 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 branch of military service for persons with veterans' plates. The bill would authorize issuance of firefighters' and "Helping Schools" distinctive license plates. Finally, the bill would repeal authority for a distinctive license plate for public safety members.

**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.

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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.kslegislature.org>

! 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 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 educational 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.

**License plate decals.** The bill would authorize the Director of Vehicles to provide, after December 31, 2004, a distinctive decal for any person who has been issued a military veteran plate and who has been awarded a Bronze or Silver Star. Distinctive licence plate decals also would be available to indicate the branch of the service in which the veteran served. Each decal would cost \$2.

## **Background**

This bill was introduced to repeal and reenact Sub. HB 2143 as corrected to eliminate the engrossing error. The substance of this bill is identical to HB 2143 as enacted.

HB 2143 was introduced during the 2003 Legislative Session. Conferees who presented testimony in support of HB 2143 at its hearing before the House Committee on Transportation in 2003 included the Johnson and Riley County Treasurers. The 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.

Sub. for HB 2143 was the product of a House Subcommittee's deliberations during the 2003 Legislative Session. That bill was recommended for passage by the House Committee.

The House Committee of the Whole amended HB 2143 to include provisions permitting 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 HB 2143 to include provisions authorizing the "Helping Schools" and Bronze Star and Silver Star license plates. Senate Committee amendments also exempted:

- ! 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 HB 2143 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.

During Conference Committee consideration of HB 2143, the House conferees agreed to the Senate amendments to the bill with the exception of the provision authorizing issuance of certain distinctive license plates for motorcycles as well as cars and trucks. The Conference Committee also agreed to amend the bill to specify that the Director of Vehicles would design the license plate decals.

The fiscal note prepared by the Division of the Budget for the introduced version of HB 2143 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*.

A fiscal note was not available from the Division of the Budget at the time of House Committee action on HB 2947.