

SESSION OF 2016

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE
BILL NO. 2473**

As Recommended by House Committee on
Transportation

Brief*

Sub. for HB 2473 would authorize an Alzheimer's disease awareness license plate and authorize those with additional types of distinctive military license plates to purchase decals indicating the owner has received certain military honors.

License plate. The bill would authorize an Alzheimer's disease awareness license plate as of January 1, 2017. The bill would allow any owner or lessee of one or more passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less to apply for the new plate after paying annual vehicle registration fees and a logo use royalty fee between \$25 and \$100 to the Alzheimer's Association. Payments from the Alzheimer's Disease Awareness Royalty Fund would be made on a monthly basis to the appropriate designee of the Alzheimer's Association.

Decals. The bill would expand eligibility to purchase decals indicating certain military honors to those with any type of distinctive license plate for which a person is required to submit proof of military service to the Director of Vehicles. Currently, such decals are available only to those with Purple Heart medal recipient and U.S. military and military veteran license plates. The decals indicate the person was a recipient of a Silver Star or Bronze Star medal or of a Combat Medical Badge, Army Combat infantry badge, Navy/Marine Corps Combat Action Ribbon, Army Distinguished Service Cross,

*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>

Navy Cross, Air Force Cross, or Distinguished Flying Cross. Under continuing law, proof must be submitted to the Director of Vehicles that such honors were awarded to the person requesting the decal.

Background

The substitute bill would incorporate substantive amendments to HB 2473 and add amended contents of HB 2527.

HB 2473 Background

As introduced, HB 2473 would have authorized an Alzheimer's disease awareness license plate but would not have required logo-use royalties or directed those royalties to the Alzheimer's Association.

Representative Mast testified in support of the bill in the hearing of the House Committee on Transportation. Also providing proponent testimony was the daughter of a former coach at Lawrence High School who died of Alzheimer's disease; this conferee stated she sought to increase awareness of the disease affecting 50,000 Kansans directly and its effect on families. Written proponent testimony was submitted by a teacher and coach at Southern Coffey County High School, the president of a care home specializing in memory care, the program director of the Alzheimer's Association Central and Western Kansas Chapter, and 13 private citizens. Letters with signatures of 34 private citizens also were submitted in support of the bill. There was no neutral or opponent testimony.

The House Committee adopted a substitute bill to incorporate amendments to authorize royalty payments to the Alzheimer's Association for use of its logo and to create the Alzheimer's Disease Awareness Royalty Fund. It also added the contents of HB 2527 into the substitute bill.

According to the fiscal note prepared by the Division of the Budget on the original bill, the Department of Revenue indicates the bill would require expenditures of \$23,420: \$2,480 for system testing costs and \$18,540 for the costs of the plates. The plate costs assume 2,500 automobile plates (\$5.10 per plate times 2,500 plates) and 1,500 motorcycle plates (\$3.86 per plate times 1,500 plates). The Department notes expenditures may be partially offset by requiring the sponsor of the new plate to submit up to \$20,000 to defray the costs for developing the plate. The funds would be deposited into the Distinctive License Plate Fund. Applicants requesting the distinctive plate would be required to pay a \$40 fee. Using the estimated total number of plates issued (2,500 automobile plates plus 1,500 motorcycle plates), the Department of Revenue estimates the bill would add \$160,000 to the State Highway Fund (4,000 plates times \$40 fee per plate). Any fiscal effect associated with the bill is not reflected in *The FY 2017 Governor's Budget Report*.

HB 2527 Background

The bill was introduced by the House Committee on Veterans, Military and Homeland Security. In the hearing before the House Committee on Transportation, the Deputy Director for Veteran Services, Kansas Commission on Veterans' Affairs Office, testified in support of the bill. He said veterans who qualify for the distinctive military license plates included in the bill would like to affix decals noting their special honors regardless of the type of military license plate they have. There was no other testimony.

As introduced, the bill would have extended eligibility for the decals to holders of certain types of distinctive military license plates. The House Committee on Transportation amended the bill to extend eligibility to any person issued a distinctive military license plate, which the bill defines as one for which a person is required to submit proof of military service.

According to the fiscal note prepared by the Division of the Budget, the Department of Revenue indicates the original version of HB 2527 would require \$11,120 from the Vehicle Operating Fund for administrative costs to implement the bill, including updating instructions for county officials, and to modify its motor vehicle processing system. If the combined effect of implementing this bill and others exceeds the Department's programming resources, expenditures for outside contract programmer services beyond the Department's current budget may be required. The Department of Revenue also indicates revenue generated from issuing each decal would cover costs associated with manufacturing the decals. The additional fee revenue would have no fiscal effect on the State Highway Fund. Any fiscal effect associated with the bill is not reflected in *The FY 2017 Governor's Budget Report*.