

February 15, 2017

REVISED

The Honorable Richard Proehl, Chairperson
House Committee on Transportation
Statehouse, Room 581-W
Topeka, Kansas 66612

Dear Representative Proehl:

SUBJECT: Revised Fiscal Note for HB 2281 by House Committee on Transportation

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2281 is respectfully submitted to your committee.

HB 2281 would create a Kansas 4-H Foundation license plate. The Kansas 4-H Foundation, Inc. would authorize the use of their logo to be used on the license plates and the organization would receive a royalty payment in the amount of not less than \$25 but not more than \$100 for each license plate that is issued.

The Department of Revenue indicates the new license plates would be subject to regular license fees and could generate \$100,000 worth of revenue to be deposited into the State Highway Fund with an initial issuance of 2,500 plates for automobiles. The Department also estimates that creating the new plates would cost \$17,034 and would include \$600 for titles and registration, \$572 for system design, \$2,882 for testing and quality assurance, \$230 for updates to policy and training documents and \$12,750 for actual production of the plates. According to statute, the sponsoring organization would be responsible to pay for up to \$20,000 in initial production costs and because the Department estimates costs less than \$20,000, the bill would not require additional state funding. The Department further indicates that all revenues and expenditures would be one time revenue and expenditure events. However, it is not possible to predict when these events would occur because, according to statute, production of plates cannot begin until the Department has a list of 500 initial customers. The Division of the Budget notes that it is also possible for revenues and expenditures to stretch over a period of fiscal years because of the nature of producing and issuing license plates. Any fiscal effect associated with HB 2281 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Department of Revenue