

STATE OF KANSAS



DIVISION OF THE BUDGET
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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

February 13, 2018

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

Dear Representative Proehl:

SUBJECT: Fiscal Note for HB 2678 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2678 is respectfully submitted to your committee.

HB 2678 would provide that, on and after January 1, 2019, any owner or lessee of one or more passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less, or motorcycles or travel trailers, who is a resident of the State of Kansas, may be issued one Choose Life distinctive license plate for each vehicle upon proper registration and payment of the regular license fee as provided in KSA 8-143. Certain other requirements that are consistent with other specialty plates are also specified in the bill in addition to design specifications of the new plate.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	\$39,250
Expenditure	--	--	--	\$7,980
FTE Pos.	--	--	--	--

The Department of Revenue indicates the new license plates would be subject to regular license fees and could generate \$39,250 (\$39.25 x 1,000 plates) worth of revenue to be deposited into the State Highway fund with an initial issuance of 1,000 license plates. The Department also estimates that creating the new plates would cost \$7,980, including \$240 for titles and registration, \$600 for testing and quality assurance, \$230 for updates to policy and training documents and \$6,910 for actual production of the plates. According to statute, the sponsoring organization would be responsible for paying up to \$20,000 in initial production costs which would be credited to the Distinctive License Plate Fund. However, this plate does not have an organizational sponsor to collect the names and fees for the initial 1,000 plates. The Department indicates that it could create

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a pre-order process internally, but this cost cannot be estimated at this time. The Department further indicates that all revenues and expenditures would be one-time revenue and expenditure events. However, it is not possible to estimate when these events would occur because, according to statute, production of plates cannot begin until the Department has a list of 1,000 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 2678 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Campbell". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Larry L. Campbell
Chief Budget Officer

cc: Lynn Robinson, Department of Revenue