

SESSION OF 2019

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2071

As Amended by House Committee on
Transportation

Brief*

HB 2071, as amended, would allow for the issuance of proud educator license plates, Alpha Kappa Alpha license plates, and Knights of Columbus license plates for passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less, on or after January 1, 2020, upon proper registration and payment of the regular license fee required at vehicle registration.

Logo Use Royalty Payments

The Kansas Educators Support Foundation would authorize the use of its proud educator logo to be affixed on the proud educator license plates. Alpha Kappa Alpha would authorize the use of its Alpha Kappa Alpha logo to be affixed on the Alpha Kappa Alpha license plates. The Knights of Columbus Kansas State Council would authorize the use of its Knights of Columbus logo to be affixed on the Knights of Columbus license plates. For each type of license plate, the bill would require a payment of a royalty of not less than \$25 but not more than \$100 per license plate issued to be paid to either the respective organization or the county treasurer. The owner or lessee of the vehicle would annually apply to the respective organization for use of such logo and, upon the payment of the appropriate royalty, receive a logo use authorization statement to be presented at time of registration.

*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>

Renewal of Registration

The bill would state a vehicle owner or lessee could apply for the license plate not less than 60 days prior to their registration renewal date, on a form prescribed and furnished by the Director of Vehicles (Director). The bill would require the applicant to provide either the annual logo use authorization statement provided by the respective organization or make the royalty payment to the county treasurer. The bill would not allow the transference of registration or license plates to any person other than the applicant, but the Director could transfer the distinctive license plate from a leased vehicle to a purchased vehicle.

The bill would specify renewals of registration would be annual, upon payment of the license plate fee, and in accordance with the license plate issuance cycle. The bill would prohibit renewal of registration until the applicant has paid the county treasurer the logo use royalty payment or presents the annual logo use authorization statement. Further, if the logo use authorization statement is not presented at the time of registration or faxed by the respective organization, or the applicant has not paid the county treasurer the annual logo use royalty payment, the applicant would be required to return the license plate to the county treasurer of the person's residence.

Requirements of the Respective Organizations

The bill would require the sponsor of each plate (the Kansas Educators Support Foundation, Alpha Kappa Alpha, and the Knights of Columbus Kansas State Council) to:

- Pay the initial cost of design for the license plates;
- Provide a toll-free telephone number or electronic mail address to all county treasurers for an applicant to call for information concerning the

application process or the status of the license plate application; and

- Design the license plate, with the approval of the Director and subject to availability of materials and equipment.

Consent – Release of Motor Vehicle Registration Information

The bill would require an applicant, as a condition of receiving the distinctive license plate and any subsequent registration renewal of such plate, to provide consent to the Division authorizing the Division's release of motor vehicle record information—the applicant's name, address, logo use royalty payment amount, plate number, and vehicle type—to the respective organization and the State Treasurer.

Remittance of Annual Logo Use Royalty Payments

For each of the license plates, the bill would require the annual logo use royalty payments collected by the county treasurers to be remitted daily to the State Treasurer, create a fund within the State Treasury to which the State Treasurer would credit the amounts received, specify all expenditures from the Fund would be made in accordance with appropriation acts upon warrants of the Director of Accounts and Reports and issued pursuant to vouchers approved by the State Treasurer or the State Treasurer's designee, and require monthly payments from the funds to the entity identified for each license plate:

- For the proud educator license plate, to the Kansas Independent College Association;
- For the Alpha Kappa Alpha license plate, to the appropriate designee of Alpha Kappa Alpha; and

- For the Knights of Columbus license plate, to the appropriate designee of the Knights of Columbus Kansas State Council.

The bill would state, for the proud educator license plate, a change of the Kansas Educators Support Foundation's designee could occur only by mutual agreement of the Kansas Educators Support Foundation and the Kansas Independent College Foundation, a change of the Alpha Kappa Alpha Foundation's designee could occur only by mutual agreement of the designee and Alpha Kappa Alpha, and a change of the Knights of Columbus Kansas Council's designee could occur only by mutual agreement of the designee and the Council.

Background

On February 14, 2019, the House Committee on Transportation amended HB 2071 by inserting the contents of HB 2095 and HB 2117 into HB 2071. The following provides background information on each bill.

HB 2071 (Proud Educator License Plates)

HB 2071 was requested the House Committee on Transportation at the request of Representative Mason on January 22, 2019.

In a hearing before the House Committee on February 12, 2019, Representative Mason, a representative of the Kansas Educators Support Foundation, and a representative of the Kansas Independent College Association testified as proponents. No neutral or opponent testimony was provided.

According to the fiscal note prepared by the Division of the Budget on HB 2071, as introduced, the bill could increase Kansas Department of Revenue (Department) expenditures by \$4,992 in FY 2020 for administrative costs related to designing and manufacturing the proud educator license

plates. The Department indicates the bill could increase revenues to the State Highway Fund by \$20,000 and to the Distinctive License Plate Fund by \$20,000 for a non-refundable statutorily required fee from the sponsor of the proud educator license plate. Any fiscal effect associated with the proud educator license plate provisions is not reflected in *The FY 2020 Governor's Budget Report*.

HB 2095 (Alpha Kappa Alpha License Plates)

HB 2095 was introduced by the House Committee on Transportation at the request of Representative Finney on January 30, 2019.

In a hearing before the House Committee on February 12, 2019, Representative Finney and a member of Alpha Kappa Alpha testified as proponents. Written-only proponent testimony was provided by a member of Alpha Kappa Alpha and a representative of Alpha Kappa Alpha Mid-Western Region. No neutral or opponent testimony was provided.

According to the fiscal note prepared by the Division of the Budget on HB 2095, as introduced, the bill could increase Department expenditures by \$5,532 in FY 2020 for administrative costs related to designing and manufacturing the Alpha Kappa Alpha license plates. The Department indicates the bill could increase revenues to the State Highway Fund by \$20,000 and to the Distinctive License Plate Fund by \$20,000 for a non-refundable statutorily required fee from the sponsor of the Alpha Kappa Alpha license plate. Any fiscal effect associated with the Alpha Kappa Alpha license plate provisions is not reflected in *The FY 2020 Governor's Budget Report*.

HB 2117 (Knights of Columbus License Plates)

HB 2117 was introduced by the House Committee on Transportation at the request of Representative Sutton on behalf of the Knights of Columbus on January 31, 2019.

In a hearing before the House Committee on February 12, 2019, Representative Sutton testified as a proponent. Written-only proponent testimony was provided by a representative of the Kansas Catholic Conference. No other testimony was provided.

According to the fiscal note prepared by the Division of the Budget on HB 2117, as introduced, the bill could increase Department expenditures by \$5,332 in FY 2020 for administrative costs related to designing and manufacturing the Knights of Columbus license plates. The Department indicates the bill could increase revenues to the State Highway Fund by \$20,000 and to the Distinctive License Plate Fund by \$20,000 for a non-refundable statutorily required fee from the sponsor of the Knights of Columbus license plate. Any fiscal effect associated with the Knights of Columbus license plate provisions is not reflected in *The FY 2020 Governor's Budget Report*.