

SESSION OF 2021

**SECOND CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2166**

As Agreed to April 7, 2021

Brief*

HB 2166 would add several types of license plates; would add reporting requirements for organizations sponsoring distinctive license plates; would amend requirements for distinctive license plate development, continuing distinctive license plates, and personalized license plate backgrounds; and would require an annual payment of a \$10 firefighters training fee for each new or renewed firefighter license plate starting January 1, 2022.

The new distinctive license plates to be issued on and after January 1, 2022, would be military branch license plates and five license plates for which royalty fees would be paid: Braden's Hope for Childhood Cancer license plates, proud educator license plates, Alpha Kappa Alpha (AKA), Delta Sigma Theta (DST), and the Love, Chloe Foundation (Foundation) license plates. The bill also would authorize Gadsden flag license plates, for which a fee would be paid.

The bill would also make technical changes.

Royalty Fee License Plates

The bill would authorize Braden's Hope for Childhood Cancer, proud educator, AKA, DST, Gadsden flag, and Foundation license plates. The Braden's Hope for Childhood

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Cancer, proud educator, AKA, DST, and Foundation license plates would be authorized for passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less; Gadsden flag license plates would be authorized for passenger vehicles, trucks with a gross weight of 20,000 pounds or less, motorcycles, and travel trailers.

Braden's Hope for Childhood Cancer would authorize the use of its logo to be affixed on the Braden's Hope for Childhood Cancer license plates. The Kansas Educators Support Foundation would authorize the use of its proud educator logo to be affixed on the proud educator license plates. AKA would authorize the use of its logo to be affixed on the AKA license plates. DST would authorize the use of its logo to be affixed on the DST license plates. The Foundation would authorize the use of its logo to be affixed on the Foundation license plates. For each of these types of license plate, the bill would require a payment of a royalty fee 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 the time of registration.

An applicant for a Gadsden flag license plate would make an annual payment of \$25 to the county treasurer. Any fee received would be used to support the Kansas State Rifle Association. The bill would require the Gadsden flag license plate to have a background design, emblem, or colors that designate the license plate as a Gadsden flag license plate.

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), Kansas Department of

Revenue. The bill would require the applicant to provide the annual logo use authorization statement provided by the respective organization or make the royalty or fee payment to the county treasurer. The bill would not allow registration or license plates to be transferred to any person other than the applicant, but the Director could transfer the Braden's Hope for Childhood Cancer, proud educator, AKA, DST, or Foundation 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 Gadsden flag license plate fee or presents the annual logo use authorization statement. Without proof of paying the fee, the applicant would be required to return the license plate to the treasurer of the county of the person's residence.

Requirements of the Respective Organizations

The bill would require the sponsors of the Braden's Hope for Childhood Cancer, proud educator, AKA, DST, and Foundation license plates to:

- Provide an electronic mail address to all county treasurers for an applicant to contact 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.

Consent – Release of Motor Vehicle Registration Information

The bill would require an applicant, as a condition of receiving one of the new distinctive license plates for which a

logo use royalty would be paid and any subsequent registration renewal of such plate, to consent to the Division of Vehicles (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 or Fees

For each of the license plates, the bill would require the annual logo use royalty payments collected by the county treasurers to be remitted and paid to the benefiting entity as provided in continuing law:

- For the Braden's Hope for Childhood Cancer license plate, to the appropriate designee of Braden's Hope for Childhood Cancer;
- For the proud educator license plate, to the Kansas Independent College Association or other designee of the Kansas Educators Support Foundation;
- For the AKA license plate, to the appropriate designee of AKA;
- For the Gadsden flag license plate, to the designee of the Kansas State Rifle Association;
- For the DST license plate, to the appropriate designee of DST; and
- For the Chloe Foundation license plate, to the Foundation.

Military Service License Plates

The bill would authorize a distinctive license plate indicating service in the U.S. Army, the U.S. Navy, the U.S. Marine Corps, the U.S. Air Force, the U.S. Coast Guard, or the U.S. Space Force to be issued to the owner or lessee of a passenger vehicle, truck of a gross weight of 20,000 pounds or less, or a motorcycle on or after January 1, 2022. The bill would allow any resident of Kansas who is a current member or an honorably discharged veteran of one of the military branches as specified by the bill to apply for a distinctive license plate indicating such military service. To be issued a distinctive license plate, the owner or lessee of such vehicle, truck, or motorcycle would be required to submit satisfactory proof to the Director that such owner or lessee is currently serving or separated and honorably discharged from one of the military branches listed above.

The bill would require the application to be made at least 60 days prior to a person's renewal of registration date on a form designated by the Director. The license plate would be issued for the same time period as other license plates and would be subject to regular license fees, but would be exempt from the personalized license plate fee as specified in continuing law. No license plate or registration issued pursuant to the bill would be transferable to any other person. In the event of death of any person issued a distinctive military service license plate, the surviving spouse or other family member would be entitled to keep possession of the plate but would not be permitted to display it on any vehicle.

The bill also would require renewals of registrations to be made annually in the manner provided in continuing law, and no renewal would be allowed until an applicant has filed the required form with the Director. If no form is filed, an applicant would be required to return the distinctive license plate to the county treasurer of such applicant's residence.

The distinctive military service license plates established by the bill also would be exempt from requirements for a

minimum number to be ordered before issuance or for continuance, or payment of a fee to develop the license plate.

Upon satisfactory proof submitted to the Director, in accordance with rules and regulations adopted by the Secretary of Revenue, any person issued a distinctive military service license plate under the provisions of the bill would be able to request that the license plate be printed to indicate that such person is a retired member of the applicable military service branch.

Reporting by License Plate Sponsoring Organizations

The bill would require any organization that receives payment from any fee imposed on the issuance or renewal of a distinctive license plate to submit, not later than May 1 each year, a report on its prior year's finances to the House Committee on Transportation, the Senate Committee on Transportation, Kansas Legislative Research Department (KLRD), and the State Treasurer. The bill would require the report to include the total amount of moneys the organization received from the distinctive license plate fee from the prior year and the list of expenditures that those moneys were spent on by the organization.

Developing and Continuing Distinctive License Plates

For distinctive license plates, the bill would reduce the minimum number that must be guaranteed for initial issuance of the plate from 500 to 250. Under continuing law, the Director is required to discontinue the issuance of any distinctive license plate authorized on and after July 1, 2004, if certain minimum numbers of the license plates are not used. The bill would reduce the number that must be guaranteed before initial issuance and issued before the end of the second year of sales from 500 to 250 and the number to be issued or renewed during any subsequent two-year period from 250 to 125.

The bill would reduce from \$20,000 to \$5,000 the maximum nonrefundable amount to be submitted by a sponsoring organization of a distinctive license plate to defray costs of the Division to develop the distinctive license plate.

For educational institution license plates, the bill would reduce the minimum number that must be guaranteed for initial issuance of the plate from 500 to 100. Under continuing law, the Director is required to discontinue the issuance of any educational institution license plate if certain minimum numbers of the license plates are not used. The bill would reduce the number that must be issued before the second year of sales from 500 to 100 and the number to be issued or renewed during any subsequent two-year period from 250 to 50.

For the In God We Trust and Choose Life license plates, the bill would reduce the minimum order requirement for issuance from 1,000 to 100 and reduce the corresponding transfer from the State Highway Fund to the Distinctive License Plate Fund from \$40,000 to \$4,000. [Note: In God We Trust license plates are being issued.]

Personalized License Plate Background

The bill would authorize the background for a standard license plate on a passenger vehicle to be used for a personalized license plate on a passenger vehicle and would specify the applicable fee.

Firefighter Training Fee

The bill would require a \$10 annual firefighters training fee payment to be collected by county treasurers for each firefighter license plate issued. The fee would be deposited into the Firefighters Training Fund, which the bill would create. The bill would authorize expenditures from the fund to be made for purposes of providing financial support related to

honoring or training Kansas firefighters or any general use that supports Kansas firefighters. The bill would require payments from the Firefighters Training Fund to be made monthly to the designee of the Kansas State Firefighters Association (Firefighters Association).

Under continuing law (KSA 2020 Supp. 8-1,141), an applicant for a firefighter license plate must also pay a \$40 distinctive license plate fee when a plate is issued.

Conference Committee Action

The second Conference Committee agreed to the provisions of HB 2166 as passed by the Senate with an amendment to decouple personalized license plate background choice from certain manufacturing and renewal requirements applicable to distinctive license plates and clarify the applicable fee. The second Conference Committee also agreed to add the contents of SB 68, regarding firefighter training fees, and SB 69, regarding the Foundation distinctive license plate, both as passed by the Senate.

Background

The bill includes provisions of HB 2166, as introduced; HB 2015, as amended by the House Committee on Transportation; HB 2169, as introduced; HB 2194, as introduced; and SB 278, as introduced. The Conference Committee added provisions of SB 68 and SB 69, as passed by the Senate.

HB 2166 (Braden's Hope for Childhood Cancer License Plates)

HB 2166 was introduced by the House Committee on Transportation at the request of Representative Hoheisel.

In the House Committee hearing, a representative of Braden's Hope provided **proponent** testimony. The conferee provided history of the nonprofit organization Braden's Hope and stated funds raised from license plate royalty fees would be used to fund childhood cancer research.

No other testimony was provided.

House Committee on Transportation

The House Committee amended the bill to add the contents of HB 2015, as amended; HB 2169, as introduced; and HB 2194, as introduced.

House Committee of the Whole

The House Committee of the Whole amended the bill to authorize any person issued a distinctive military service license under the provisions of the bill to request, upon satisfactory proof submitted to the Director, the license plate be printed to indicate that such person is a retired member of the applicable military service branch. [Note: The Conference Committee retained this amendment.]

Senate Committee on Transportation

In the Senate Committee hearing, Representative Finney provided **proponent** testimony specific to the AKA provisions of the bill. Written-only **proponent** testimony was provided by a representative of Braden's Hope for Childhood Cancer and a private citizen.

No other testimony was provided.

The Senate Committee amended the bill to add provisions regarding Gadsden flag license plates and the contents of SB 278, as introduced (reporting by license plate

sponsoring organizations). [Note: The Conference Committee retained these amendments.]

Senate Committee of the Whole

The Senate Committee of the Whole amended the bill to add provisions related to DST license plates and the background of personalized license plates. [Note: The Conference Committee retained these amendments and amended the license plate background provisions.]

Fiscal Information

According to the fiscal note provided by the Division of the Budget on HB 2166 as introduced, the bill would increase Kansas Department of Revenue (Department) expenditures by \$6,946 in FY 2022 for administrative costs related to designing and manufacturing the new plate. The Department estimates the bill would increase revenues to the State Highway Fund by \$14,813. The Department also estimates the bill would increase revenues to the Distinctive License Plate Fund from a \$5,000 nonrefundable fee required from the new distinctive license plate sponsor. Any fiscal effect associated with enactment of HB 2166 is not reflected in *The FY 2022 Governor's Budget Report*.

HB 2169 (Proud Educator License Plates)

HB 2169 was introduced by the House Committee on Transportation at the request of Representative Mason.

House Committee on Transportation

In the House Committee hearing, a representative of the Kansas Educators Support Foundation provided **proponent** testimony, stating the bill would allow educators to show their

pride in their profession, and funds raised from license plate royalty fees would be used to award grants to first-year teachers. Representative Mason, a representative of the Kansas Independent College Association, and a private citizen provided written-only **proponent** testimony.

No other testimony was provided.

Fiscal Information

According to the fiscal note provided by the Division of the Budget on HB 2169, enactment of the bill would increase Department expenditures by \$6,946 to create, test, print, and ship the plates. The Department estimates the bill would increase revenues in the State Highway Fund by \$9,812.50. In addition, the Department estimates the bill would increase revenues to the Distinctive License Plate Fund by up to \$20,000 for a nonrefundable fee required from the new distinctive license plate sponsor. [Note: Sub. for HB 2166 would reduce this fee to a maximum of \$5,000.]

Any fiscal effect associated with enactment of HB 2169 is not reflected in *The FY 2022 Governor's Budget Report*.

HB 2194 (AKA License Plates)

HB 2194 was introduced by Representatives Finney and Ohaebosim.

House Committee on Transportation

In the House Committee hearing, Representative Finney, Representative Ohaebosim, a representative of the Kansas City (Kansas) AKA Chapter, a representative of the Topeka AKA Chapter, and a representative of the Wichita AKA Chapter provided **proponent** testimony. Proponents provided background information on AKA, highlighted AKA

achievements and service contributions, and indicated more than 20 other states have authorized the issuance of AKA distinctive plates.

No other testimony was provided.

Fiscal Information

According to the fiscal note provided by the Division of the Budget on HB 2194, enactment of the bill would increase Department expenditures by \$8,991 for FY 2022 for administrative costs related to designing, manufacturing, printing, and shipping the new plate. The Department estimates the bill would increase revenues in the State Highway Fund by \$19,625 and \$375 to county treasurers. In addition, the Department estimates the bill would increase revenues to the Distinctive License Plate Fund by up to \$20,000 for a nonrefundable fee required from the new distinctive license plate sponsor. [Note: Sub. for HB 2166 would reduce this fee to a maximum of \$5,000.]

Any fiscal effect associated with enactment of HB 2194 is not reflected in *The FY 2022 Governor's Budget Report*.

HB 2015 (Military Service License Plates)

HB 2015 was introduced by Representative Williams.

House Committee on Transportation

In the House Committee hearing, Representative Coleman provided **proponent** testimony, stating the bill would provide an opportunity to show respect and recognition for veterans. Representative Coleman further requested the bill be amended to include the issuance of a U.S. Space Force distinctive license plate. Representative Williams provided written-only **proponent** testimony, stating the bill as

introduced does not reflect the original intent due to a miscommunication in the drafting process. Representative Williams further stated the bill was intended to recognize retired military service members, and an amendment was being drafted to correct the discrepancy.

No other testimony was provided.

The House Committee amended the bill to also authorize the issuance of distinctive license plates for members of the U.S. Space Force. [Note: The Conference Committee retained this amendment.]

Fiscal Information

According to the fiscal note provided by the Division of the Budget on HB 2015 as introduced, Department expenditures would increase by a minimum of \$17,980 for FY 2022. The Department also indicates it would incur additional costs of \$8.18 and \$6.94 to print and ship each large and small plate, respectively.

Any fiscal effect associated with enactment of HB 2015 is not reflected in *The FY 2022 Governor's Budget Report*.

SB 278 (Reporting by License Plate Sponsoring Organizations)

SB 278 was introduced by the Senate Committee on Ways and Means.

Senate Committee on Transportation

In the Senate Committee, no testimony was provided. The Chairperson noted the bill is a result of multi-year discussions on this topic. [Note: The KLRD memorandum

“State Authorization for Fund-raising License Plates” provides information on similar requirements in other states.]

Fiscal Information

According to the fiscal note provided by the Division of the Budget on SB 278, Legislative Administrative Services, KLRD, and the State Treasurer indicate enactment of the bill would have no fiscal effect on state expenditures or revenues.

SB 69 (Love, Chloe Foundation License Plate)

SB 69 was introduced by the Senate Committee on Transportation at the request of Senator Claeys.

[*Note:* SB 69 contains provisions of 2020 SB 315, as passed by the Senate, with technical changes.]

Senate Committee on Transportation

In the Senate Committee hearing, the founder and president of the Foundation provided **proponent** testimony. The conferee described the work of the Foundation in supporting families and classmates of children with cancer, coordinating with other organizations, and funding research into childhood cancer. She showed an illustration of a suggested design, which would state “Childhood Cancer, Fueling the Fight.org” and include a gold ribbon and a rainbow.

No other testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

House Committee on Transportation

In the House Committee hearing, the founder and president of the Foundation and two private citizens provided **proponent** testimony. The proponents summarized their personal experiences with pediatric cancer, discussed the financial burden it can place on a family, and indicated the revenues from the license plates would provide financial assistance to families when they have a child afflicted with pediatric cancer.

No other testimony was provided.

The House Committee amended the bill to add the contents of SB 68, as introduced (firefighter training fee).

Fiscal Information

According to the fiscal note provided by the Division of the Budget on SB 69 as introduced, the Department estimates enactment of the bill would increase its expenditures by \$8,764 in FY 2022 for administrative costs related to designing and manufacturing the new license plate. The Department estimates the bill would increase revenues to the State Highway Fund by \$19,625 from a \$40 personalized plate fee, which assumes an initial issuance of 500 license plates. In addition, the Department estimates \$20,000 in revenues to the Distinctive License Plate Fund from a nonrefundable fee required in continuing law from the sponsor of a new distinctive license plate to defray the cost to develop the new plate. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2022 Governor's Budget Report*.

SB 68 (Firefighter Training Fee)

SB 68 was introduced by the Senate Committee on Transportation at the request of a representative of the Firefighters Association.

[*Note:* SB 68 contains the provisions of 2020 HB 2531 as recommended by the House Committee on Transportation.]

Senate Committee on Transportation

In the Senate Committee hearing, the president of the Firefighters Association and another Association representative provided **proponent** testimony. The conferees stated Firefighters Association membership had authorized the Association board to pursue the fee, and the moneys would be used to support training for firefighters.

No other testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

House Committee on Transportation

In the House Committee hearing, the president of the Firefighters Association and another Association representative provided **proponent** testimony.

No other testimony was provided.

Fiscal Information

According to the fiscal note provided by the Division of the Budget on SB 68 as introduced, the Department indicates enactment of the bill would increase its expenditures by \$4,350 for one-time administrative expenditures for FY 2022.

The Department estimates \$117,190 would be deposited into the Firefighters Training Fund for FY 2022 if all 11,719 firefighters who currently have firefighter license plates renew those plates. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2022 Governor's Budget Report*.

Distinctive license plates; motor vehicles; royalty fee

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