

STATE OF KANSAS



DIVISION OF THE BUDGET
LONDON STATE OFFICE BUILDING
900 SW JACKSON STREET, ROOM 504
TOPEKA, KS 66612

PHONE: (785) 296-2436
FAX: (785) 296-0231
LARRY.CAMPBELL@KS.GOV

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

February 9, 2018

The Honorable Mike Petersen, Chairperson
Senate Committee on Transportation
Statehouse, Room 345-S
Topeka, Kansas 66612

Dear Senator Petersen:

SUBJECT: Fiscal Note for SB 354 by Senate Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 354 is respectfully submitted to your committee.

SB 354 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 Gadsen Flag "DON'T TREAD ON ME" 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.

The Department of Revenue indicates the new license plates would be subject to regular license fees and could generate \$19,625 (\$39.25 x 500 plates) worth of revenue to be deposited into the State Highway Fund with an initial issuance of 500 license plates. The Department also estimates that creating the new plates would cost \$4,525, including \$240 for titles and registration, \$600 for testing and quality assurance, \$230 for updates to policy and training documents and \$3,455 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. Since the Department estimates costs less than \$20,000, additional state funding would not be required. 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

The Honorable Mike Petersen, Chairperson
February 9, 2018
Page 2—SB 354

of the nature of producing and issuing license plates. Any fiscal effect associated with SB 354 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 the first letter "L" being particularly large and stylized.

Larry L. Campbell
Chief Budget Officer

cc: Lynn Robinson, Department of Revenue