

February 19, 2019

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

Dear Representative Proehl:

SUBJECT: Fiscal Note for HB 2246 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2246 is respectfully submitted to your committee.

Under current law, the Director of Vehicles cannot issue any new distinctive license plate unless there is a guarantee of an initial issuance of at least 500 plates. The Director is required to discontinue any distinctive license plate, except for education institution license plates, authorized prior to July 1, 2004 if less than 500 license plates, including renewals, are issued by July 1, 2006 and if less than 250 license plates, including renewals, are issued during any subsequent two-year period after July 1, 2006. The Director of Vehicles is also required to discontinue any distinctive license plate issued after July 1, 2004 if less than 500 plates, including renewals, are issued by the end of the second year of sales and less than 250 license plates, including renewals, are issued during any subsequent two-year period.

HB 2246 would reduce the required number of distinctive licenses plates, excluding those for educational institutions, for initial issuance from 500 to 250. For educational institutions, the required number of distinctive license plates for initial issuance would be 100. The bill would also change when the Director of Vehicles would be required to discontinue the issuance of a distinctive license plate, except for education institution license plates. The Director would be required to discontinue the issuance of a distinctive license plate authorized prior to July 1, 2004 if less than 125 plates, including annual renewals, are issued during any subsequent two-year period. For distinctive license plates authorized after July 1, 2004, the Director would be required to discontinue the license plate if less than 250 plates, including renewals, are issued by the end of the second year of sales and less than 125 license plates, including renewals, are issued during any subsequent two-year period. The Director would be required to discontinue educational institution license plates if less than 100 educational institution license plates, including renewals, are issued

for an educational institution by the end of the second year of sales and less than 50 educational institutions license plates, including renewals, are issued for an educational institution during any subsequent two-year period.

The Department of Revenue estimates enactment of HB 2246 to have no fiscal effect on the Department. The Board of Regents indicates enactment HB 2246 would affect certain educational institutions. If an educational institution was previously unable to guarantee an initial issuance of 500 license plates but could guarantee an initial issuance of 100 plates and maintain the required ongoing issuances and renewals, that education institution would be eligible to receive royalty payments for the issuance of the distinctive license plate. The Board of Regents cannot estimate how many institutions, if any, would be affected or how much revenue could be generated from receiving royalty payments. Any fiscal effect associated with HB 2246 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink that reads "L. L. Campbell". The signature is fluid and cursive, with the first name "L." and last name "Campbell" clearly visible.

Larry L. Campbell
Director of the Budget

cc: Ben Cleeves, Transportation
Lynn Robinson, Department of Revenue
Kelly Oliver, Board of Regents