

February 8, 2021

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

Dear Representative Proehl:

SUBJECT: Fiscal Note for HB 2169 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2169 is respectfully submitted to your committee.

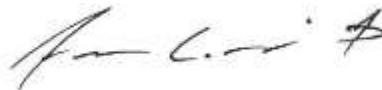
HB 2169 would provide on and after January 1, 2022, any owner or lessee of one or more passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less, who is a Kansas resident, may be issued one Proud Educator license plate for each vehicle upon proper registration and payment of the regular license fee, as provided in KSA 8-143. The bill would authorize the Kansas Educators Support Foundation to allow the use of its logo to be affixed on license plates. Royalty payments must be at least \$25 and no more than \$100 for each license plate and must be issued to the Kansas Educators Support Foundation or the county treasurer. Annual royalty payments collected by county treasurers would be remitted to the State Treasurer and credited to the Kansas Educators Support Foundation Royalty Fund. Certain other requirements that are consistent with other specialty plates are also specified in the bill.

Current law prohibits the Director of Vehicles from issuing any new distinctive license plate unless there is a guarantee of an initial issuance of at least 500 license plates; and the distinctive license plate would be discontinued if less than 250 plates are issued in any subsequent two-year period. HB 2169 would reduce these minimum issuance requirements to a 250-plate guarantee and less than 125 license plates, respectively. The bill would include several technical amendments.

The Department of Revenue indicates the new license plates would be subject to the \$40 regular license fee but reducing the minimum plate requirement from 500 to 250 plates would reduce the revenue that could be generated and deposited into the State Highway Fund to \$9,812.50 (\$39.25 x 250 plates). Likewise, the revenue that could be generated by the county treasurers

would be reduced to \$187.50 ($\0.75×250). The Department also estimates that creating, testing, printing and shipping the plates would increase expenditures by approximately \$6,946. According to statute, the sponsoring organization would be responsible for paying up to \$20,000 to the Division of Vehicles to defray the cost of initial production which would be credited to the Distinctive License Plate Fund. Any fiscal effect associated with HB 2169 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue