



January 22, 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 273 by Senate Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 273 is respectfully submitted to your committee.

SB 273 would authorize the issuance of the City of Wichita license plate, which would be a new distinctive license plate. The bill would allow the City of Wichita to authorize the image of the City's flag be used as a logo on the license plate. The City of Wichita may charge a royalty payment for the use of the logo. The proceeds of the royalty payments would be used for the Wichita Parks Foundation. The royalty payment could not be less than \$25 or more than \$100. Motor vehicle owners may pay the royalty payment to either the City of Wichita or the county treasurer. If a motor vehicle owner pays the royalty payment to the City of Wichita, the owner would receive a logo use authorization statement. This statement would be required to be presented to the county treasurer at the time of vehicle registration. Registration renewals could not be processed by a county treasurer until the motor vehicle owner presents a logo authorization statement or pays the logo use royalty payment.

County treasurers would be required to collect royalty payments and remit all proceeds to the State Treasurer to be deposited in the City of Wichita Royalty Fund. The bill authorizes payments from the fund to the appropriate designee of the City of Wichita. The City of Wichita would be required to pay for the initial cost of the license plates and provide a toll-free telephone number to county treasurers where applicants can call the City for information regarding the application process or the status of their license plate.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	\$23,455
Expenditure	--	--	--	\$4,405
FTE Pos.	--	--	--	--

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The Kansas Department of Revenue estimates the bill would require additional expenditures of \$4,405 in FY 2019. Of this total, \$3,455 would be for developing and manufacturing the license plates (\$6.91 for each plate x 500 plates), \$230 to update policy, procedures and training documents for counties, and \$720 for systems testing. Current law requires sponsors of new distinctive license plates to submit a nonrefundable amount not to exceed \$20,000 to the Division of Vehicles to offset the costs for the license plates.

The League of Kansas Municipalities notes that the City of Wichita would be required to pay for the initial costs of the license plates. The League estimates the toll-free phone number will cost approximately \$3.00 per month. The Kansas Associate of Counties indicates that county treasurers' offices would be able to handle the processing requirements of a new distinctive license plate without incurring additional costs.

Under current law, new distinctive license plates are subject to a \$40 fee. Current law also requires a minimum of 500 plates for the initial issuance. One of the sources of revenue for the State Highway Fund is vehicle registration fees. Assuming the minimum number of plates are issued, the bill would increase revenue to the State Highway Fund by \$20,000 in FY 2019. Any fiscal effect associated with SB 273 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,  
Director of the Budget

cc: Lynn Robinson, Department of Revenue  
Peter Northcott, Office of the Treasurer  
Chardae Caine, League of Municipalities  
Melissa Wangemann, Association of Counties