

SESSION OF 2018

SUPPLEMENTAL NOTE ON SENATE BILL NO. 273

As Recommended by Senate Committee on
Transportation

Brief*

SB 273 would authorize the creation and issuance of a City of Wichita (City) distinctive license plate. Descriptions of specific bill provisions follow.

Issuance of a City License Plate

On and after January 1, 2019, the bill would allow for the issuance of a City license plate, upon proper registration and payment of the regular license fee as provided in KSA 2017 Supp. 8-143, to any Kansas resident who:

- Owns or leases one or more passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less; and
- Either pays the county treasurer the logo use royalty payment established by the City or presents the annual logo use authorization statement. (*Note:* This process is described in more detail under the “Logo Use Royalty Payments” section.)

Logo Use Royalty Payments

The bill would allow the City to authorize the use of the Wichita flag as its logo to be affixed on license plates and would permit any motor vehicle owner or lessee to annually

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

apply to the City for the use of the logo. The bill would require any royalty payment received to be used to support physical assets identified by the Wichita Parks Foundation (Foundation) and license plate administrative costs incurred by the Foundation.

The bill would specify that an individual may pay the logo use royalty payment to either the City or the county treasurer. The royalty payment would be established by the City in an amount not less than \$25 and not more than \$100. If the motor vehicle owner or lessee pays the royalty payment to the City, the City would then be required to issue the individual a logo use authorization statement without further charge. The motor vehicle owner or lessee would present the logo use authorization statement at the time of registration.

Renewal of Registration

The bill would permit any applicant for a City license plate to apply for the plate not less than 60 days prior to the person's registration renewal date, on a form prescribed and furnished by the Director of Vehicles (Director). The applicant must either provide the annual logo use authorization statement or pay a logo use royalty payment to the county treasurer. The application for registration of a passenger vehicle or truck and issuance of the license plate must be made by the owner or lessee upon forms furnished by the Director. The bill would state registration is not transferable to any other person, but the Director may transfer City plates 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 specified in KSA 2017 Supp. 8-132(b). The bill would prohibit renewal of registration until the applicant has paid the county treasurer the logo use royalty payment established by the City or presents the annual logo use authorization statement. Further, if the logo use authorization statement is not

presented at the time of registration or faxed by the City, or the applicant has not paid the county treasurer the annual logo use royalty payment, the applicant would be required to return the license plate to the county treasurer of the person's residence.

Requirements of the City

The bill would require the City to:

- Pay the initial cost of silk-screening for the City license plates;
- Provide a toll-free telephone number to all county treasurers for an applicant to call the City for information concerning the application process or the status of a license plate application; and
- Design a City plate, with the approval of the Director and subject to availability of materials and equipment.

Consent – Release of Motor Vehicle Record Information

The bill would require an applicant, as a condition of receiving the City plate and any subsequent registration renewal of such plate, to provide consent to the 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 City and the State Treasurer.

Remittance of Annual Logo Use Royalty Payments

The bill would require the annual logo use royalty payments collected by the county treasurers for the City license plate to be remitted daily to the State Treasurer.

The bill would create the City of Wichita Royalty Fund (Fund) within the State Treasury, to be administered by the State Treasurer. Upon receipt of the remittance, the State Treasurer would be required to deposit the entire amount in the State Treasury to the credit of the Fund.

The bill would further specify all expenditures from the Fund would be made in accordance with appropriation acts upon warrants of the Director of Accounts and Reports, issued pursuant to vouchers approved by the State Treasurer or the State Treasurer's designee.

The bill would require payments from the Fund to the appropriate designee of the City be made on a monthly basis. Further, a change of the City's designee could occur only by mutual agreement of the City and the Foundation.

Background

The bill was introduced by the Senate Committee on Transportation at the request of a representative of the City. In the Senate Committee hearing, Senator Faust-Goudeau and a representative of the Wichita City Council testified in favor of the bill. The proponents stated Wichita residents have embraced the flag as the symbol of the City and there is a demand for a flag license plate.

No neutral or opponent testimony was provided.

Provisions of the bill follow those for other distinctive license plates authorized in recent years.

According to the fiscal note prepared by the Division of the Budget on the bill, the Kansas Department of Revenue estimates enactment of the bill would require additional expenditures of \$4,405 in FY 2019: \$3,455 would be for developing and manufacturing the license plates; \$230 would be to update policy, procedures, and training documents for counties; and \$720 would be for systems testing. KSA 2017

Supp. 8-1,141 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 developing the license plates.

The League of Kansas Municipalities (League) notes the City 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 per month. The Kansas Association of Counties indicates county treasurers' offices would be able to handle the processing requirements of a new distinctive license plate without incurring additional costs.

The fiscal note also states that 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 500 plates are issued, the bill would increase revenue to the State Highway Fund by \$20,000 in FY 2019. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2019 Governor's Budget Report*.