

February 14, 2013

The Honorable Virgil Peck, Chairperson
House Committee on Transportation and Public Safety Budget
Statehouse, Room 274-W
Topeka, Kansas 66612

Dear Representative Peck:

SUBJECT: Fiscal Note for HB 2137 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2137 is respectfully submitted to your committee.

The 2008 Legislature created a \$4 surcharge on vehicle registrations and established the Division of Vehicles Modernization Fund for the collection of this surcharge to fund the Division of Vehicles Modernization Project. The fund was to be used solely for the purpose of financing this project which involved the integration and modernization of three antiquated driver's license and vehicle registration systems into one. The surcharge was originally scheduled to sunset January 1, 2013, but the 2010 Legislature authorized the surcharge to continue, but to be credited to the State Highway Fund beginning January 1, 2013 as part of the comprehensive transportation program known as Transportation Works for Kansas, or T-WORKS. HB 2137 would eliminate the \$4 surcharge effective with its publication in the statute book or July 1, 2013.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	(\$12,400,000)
Expenditure	--	--	--	\$6,600
FTE Pos.	--	--	--	--

The Kansas Department of Transportation indicates that HB 2137 would decrease revenues to the State Highway Fund by \$12.4 million in FY 2014 and each subsequent year. The Department of Revenue provided similar estimates for reductions in revenue to the State

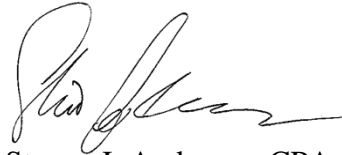
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Highway Fund and indicates that the costs associated with programming these changes in the vehicle system would increase its expenditures by \$6,600 from all funding sources. Any fiscal effect associated with HB 2137 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue
Ben Cleeves, Transportation