

February 16, 2016

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

Dear Representative Proehl:

**SUBJECT:** Fiscal Note for HB 2605 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2605 is respectfully submitted to your committee.

HB 2605 would authorize the Kansas Turnpike Authority (KTA) to provide a notice of toll-evasion violation to a registered vehicle owner who drives on any turnpike project but does not pay a toll. The notice may include a toll-evasion civil penalty, administrative fee, and costs. The KTA would be authorized to instruct the Department of Revenue Division of Vehicles to refuse or renew the registration of a vehicle until any outstanding tolls are paid to the KTA. The registered owner may contest any notice of toll evasion to KTA. If the owner disagrees with KTA findings, the owner may contest the findings through the administrative hearing process.

The bill would authorize the Department of Revenue Division of Vehicles to refuse an application for registration or renewal of a vehicle if the Division's records show that the owner has unpaid tolls and the KTA has instructed the Division to refuse to accept the registration or renewal.

The Department of Revenue estimates that HB 2605 would require additional expenditures totaling \$373,000 in FY 2017. Of this total, \$214,531 would be for salaries and wages expenses and other costs associated with adding 4.00 new Customer Representative FTE positions. The new positions would be needed to handle additional workloads related to vehicle registration or renewal inquiries and investigations. The position costs would include one-time operating expenditures of \$16,455. Also included in the total estimate is \$115,250 for database updates, \$28,800 for information system changes, and \$14,419 for communications, reporting, and quality assurance costs.

Counties could also incur additional costs in the form of increased staff time from the changes to the vehicle renewal and registration process. It is also possible that counties could experience reduced or delayed payments of registration fees and taxes because of unpaid tolls. However, the Kansas Association of Counties is unable to estimate the total dollar effect for counties.

The KTA states that it recognizes the expenditures that would be needed by the Department of Revenue and counties to implement the bill. The Authority indicates that it would be willing to reimburse the Department and counties or create a cost recovery mechanism for those expenditures. No estimates are currently available from KTA regarding the increase in outstanding toll collections resulting from HB 2605.

HB 2605 could result in reduced or delayed revenues from vehicle registration fees to the State Highway Fund. However, neither the Kansas Department of Transportation nor the Department of Revenue have information on the number of registered vehicle owners with unpaid KTA tolls and the types of vehicles from which to reliably estimate the fiscal effect on the State Highway Fund. Any fiscal effect associated with HB 2605 is not reflected in *The FY 2017 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: Ben Cleaves, Transportation  
Jack Smith, Department of Revenue  
Melissa Wangemann, Association of Counties