

SESSION OF 2019

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2372**

As Amended by House Committee on Taxation

**Brief\***

HB 2372, as amended, would impose new annual vehicle registration fees of \$75 for certain plug-in hybrid electric vehicles and \$150 for all-electric plug-in vehicles on and after January 1, 2020.

**Background**

The bill was introduced by the House Committee on Taxation at the request of Representative Proehl. During the House Committee hearing on March 14, 2019, Representative Proehl testified in support of the bill, stating the bill is one of several recommendations made by the Legislative Transportation Vision Task Force. Representatives of the Kansas Contractors Association and the Wichita Regional Chamber of Commerce also gave proponent testimony. Written-only testimony in support of the bill was submitted by representatives of the American Council of Engineering Companies, Economic Lifelines, the Kansas Economic Progress Council, the Kansas Society of Professional Engineers, Overland Park Chamber of Commerce, and the Petroleum Marketers and Convenience Store Association.

Neutral testimony was provided by representatives of the and the Clean Energy Business Council Kansas Department of Transportation.

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\*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>

A representative of the Auto Alliance Driving Innovation appeared as an opponent. A representative of the Metropolitan Energy Center submitted written-only opponent testimony.

On March 21, 2019, the House Committee amended the bill at the recommendation of Representative Proehl to clarify the application of the new fees more generally to certain plug-in vehicles.

According to the fiscal note provided by the Division of the Budget on the bill, as introduced, the Division of Vehicles (Division), Department of Revenue, indicates receipts to the State Highway Fund would be expected to increase by \$0.305 million in FY 2020, and by \$0.610 million on an annualized basis. The fiscal note observed that receipts from the new fees would be expected to grow rapidly over time to the extent that sales of non-gasoline vehicles are expected to increase by as much as 400.0 percent by 2040.

A fiscal note on the the bill, as amended by the House Committee, was not immediately available.