

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 2529 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2529 is respectfully submitted to your committee.

HB 2529 would add a \$150 annual license fee for registering a passenger motor vehicle that is propelled by more than one power source mated together to work in conjunction, such as a hybrid electric vehicle that combines a conventional internal combustion engine with an electric propulsion system. The bill also adds a \$300 annual fee for registering an electric vehicle.

Estimated State Fiscal Effect				
	FY 2016 SGF	FY 2016 All Funds	FY 2017 SGF	FY 2017 All Funds
Revenue	--	--	--	\$1,080,000
Expenditure	--	--	--	\$6,080
FTE Pos.	--	--	--	--

The Department of Revenue estimates that HB 2529 would increase State Highway Fund revenues by \$1,080,000 in FY 2017. To formulate this estimate, the Department of Revenue indicated that there were 7,585 hybrid and 788 electric vehicles registered in Kansas in 2015. These vehicles already pay the annual registration fee based on gross weight; \$30 for a gross weight of 4,500 pounds or less and \$40 for a gross weight more than 4,500 pounds. It is estimated that approximately 50.0 percent of these vehicles have a gross weight of 4,500 pounds or less and 50.0 percent have a gross weight of more than 4,500 pounds. Increasing the annual license fee for these vehicles would increase revenues to the State Highway Fund by approximately \$1,080,000 in FY 2017.

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The Department of Revenue estimates that HB 2529 would require \$6,080 from the Division of Vehicles Operating Fund for administrative costs to implement the bill, including updating instructions and training for county officials, and to modify the Motor Vehicle Registration System (MOVRS). The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. However, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, expenditures for outside contract programmer services beyond the Department's current budget may be required.

The Kansas Department of Transportation (KDOT) indicates that the bill would increase state revenues to the State Highway Fund as noted above. KDOT indicates the bill would provide additional funding for the comprehensive transportation plan, known as T-WORKS. Any fiscal effect associated with HB 2529 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 long horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Department of Revenue
Melissa Wangemann, Association of Counties
Ben Cleeves, Transportation