

STATE OF KANSAS

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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

February 23, 2018

The Honorable Jene Vickrey, Chairperson
House Committee on Insurance
Statehouse, Room 276-W
Topeka, Kansas 66612

Dear Representative Vickrey:

SUBJECT: Fiscal Note for HB 2646 by Representatives Bishop and Hodge

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2646 is respectfully submitted to your committee.

HB 2646 would require every motor vehicle liability insurance policy or renewal, effective January 1, 2018, to have minimum limits of liability coverage of \$100,000 for bodily injury or death of one person in any one accident to no less than \$300,000 for bodily injury or death of two or more persons in any one accident, and \$25,000 for harm or destruction of property of others in any one accident if the owner of the vehicle has had a conviction of driving under the influence within the last ten years.

The Kansas Insurance Department indicates that enactment of HB 2646 could raise insurance premiums for affected vehicle owners, thereby increasing revenue to the State General Fund from taxes on premiums. However, the total fiscal effect cannot be estimated because the number of affected vehicle owners is unknown. The Kansas Department of Revenue indicates that enactment of HB 2646 would have no fiscal effect, but that the bill could require the Division of Motor Vehicles to suspend a larger number of drivers per year, if more drivers fail to maintain the liability insurance described in HB 2646. Any fiscal effect associated with HB 2646 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

A handwritten signature in cursive script that reads "L. Campbell".

Larry L. Campbell
Chief Budget Officer

cc: Glenda Haverkamp, Insurance