

February 17, 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 2641 by House Committee on General Government
Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2641 is respectfully submitted to your committee.

HB 2641 would eliminate the requirement that the Department of Revenue send a vehicle registration renewal notice letter to all vehicle owners 45 days before it is time to renew their tag. Current law requires the letter include the specific fees and property tax amounts that are due that allows the vehicle owner to use the letter to renew their tags by mail.

The Department of Revenue estimates HB 2641 would have no fiscal effect on state revenues. The bill would allow the Department to implement more cost efficient means to notify vehicle owners that it is time to renew their tags. For example, the bill could allow the Department to notify all vehicle owners by postcard that would include the vehicle owner's name and instructions on how to retrieve the specific fee and tax amounts from either the state's website or their local tag office. The savings from sending a postcard instead of letter would reduce expenditure from the Division of Vehicles Operating Fund by \$562,000 in FY 2017. Counties can opt to send out their own vehicle registration renewal notice letters by receiving data from the state, which Johnson County has been doing since 2012. The \$562,000 savings associated with sending the postcard instead of a letter is reflected in *The FY 2017 Governor's Budget Report*. Additionally, the Governor recommends transferring the \$562,000 savings to the State General Fund in FY 2017.

Sincerely,



Shawn Sullivan,
Director of the Budget

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