

SESSION OF 2018

SUPPLEMENTAL NOTE ON SENATE BILL NO. 276

As Amended by Senate Committee on Ways
and Means

Brief*

SB 276, as amended, would increase the statutory limit on unencumbered balances in the Motor Carrier License Fees Fund (MCLFF), the excess of which is transferred to the State Highway Fund (SHF) on July 30 and January 30 of each fiscal year. Currently, all unencumbered funds in excess of \$700,000 are transferred from the MCLFF to the SHF on July 30 and January 30 of each fiscal year. The bill would increase the amount of money to remain in the MCLFF to \$2.8 million.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the Senate Committee on Ways and Means. In the Senate Committee hearing, the Director of Fiscal Services for the Kansas Corporation Commission (KCC) provided testimony in support of the bill. The KCC representative stated the bill would address a timing issue for making the required transfer from the MCLFF and maintaining sufficient funding to operate the KCC Transportation Division. It was noted the bulk of MCLFF revenue is generated from the federal Unified Carrier Registration (UCR) program. In recent years, the KCC representative explained, UCR payments to the MCLFF have been augmented by additional payments above the \$4.3

*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>

million annual amount due to Kansas having been underpaid in previous years. With the underpayment amount having been fully repaid recently, the MCLFF will no longer be receiving more than the \$4.3 federally determined amount under the basic requirements of the UCR program. The KCC representative stated the combination of the timing of the revenue to the fund and the discontinuation of additional moneys received as part of underpayment funds has created a situation wherein the transfers to the SHF of all unencumbered funds in excess of \$700,000 will deplete the balance of the MCLFF to the extent that it will no longer be able to adequately fund the KCC Transportation Division.

No opposition or neutral testimony was provided.

The Senate Committee amended the bill to change the bill's effective date to publication in the *Kansas Register*.

The fiscal note prepared by the Division of the Budget indicated any fiscal effect associated with the bill, as introduced, is not reflected in *The FY 2019 Governor's Budget Report*. The fiscal note reports the Kansas Department of Transportation stated it did not budget receipts from this revenue source in either FY 2018 or FY 2019.