

January 23, 2020

The Honorable Richard Proehl, Chairperson
House Committee on Transportation
Statehouse, Room 581B-W
Topeka, Kansas 66612

Dear Representative Proehl:

SUBJECT: Fiscal Note for HB 2420 by Representative Williams

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2420 is respectfully submitted to your committee.

HB 2420 would require the registration of certain military surplus vehicles and allow them to operate on Kansas roadways. The bill defines military surplus vehicle as a vehicle manufactured for use in the United States military forces authorized for sale to civilians, regardless of weight or size, and is less than 35 years old. The military surplus vehicle cannot be a fully tracked vehicle. The bill authorizes the issuance of a special interest license plate for a military surplus vehicle that includes a decal identifying it as a military surplus vehicle. The fee for the special interest registration is set at \$26 per year and issuing the license plate is a one-time fee of \$20. The military surplus vehicles cannot be registered until an inspection has been completed.

Estimated State Fiscal Effect				
	FY 2020 SGF	FY 2020 All Funds	FY 2021 SGF	FY 2021 All Funds
Revenue	--	--	--	\$9,200
Expenditure	--	--	\$7,366	\$7,366
FTE Pos.	--	--	--	--

The Department of Revenue estimates that HB 2420 would increase State Highway Fund revenues by \$9,200 in FY 2021. To formulate this estimate, the Department of Revenue reviewed data on military surplus vehicles and estimates that approximately 200 vehicles would be registered in Kansas. The special interest application fee is estimated to generate \$5,200 for the State Highway Fund (\$26 fee x 200 vehicles) and the one-time license plate fee is estimated to generate \$4,000 for the State Highway Fund (\$20 fee x 200 vehicles).

The Department indicates that the bill would require \$7,366 from the State General Fund in FY 2021 to implement the bill and to modify the motor vehicle system to allow for a new license plate type and associated usage for certain military surplus vehicles. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, 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, additional expenditures for outside contract programmer services beyond the Department's current budget may be required.

The Kansas Department of Transportation indicates that the bill would increase state revenues to the State Highway Fund as noted above. The Kansas Association of Counties indicates that if numerous heavy surplus military vehicles are registered in the state, then the bill has the potential to increase road maintenance costs for local governments that would not be offset by the registration fees. However, the Association is unable to calculate the precise estimate of any potential increases in road maintenance costs for local governments as a result of this bill. Any fiscal effect associated with HB 2420 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

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

Larry L. Campbell
Director of the Budget

cc: Ben Cleeves, Transportation
Lynn Robinson, Department of Revenue
Sherry Macke, Highway Patrol
Jay Hall, Association of Counties