

February 10, 2014

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

Dear Representative Proehl:

SUBJECT: Fiscal Note for HB 2451 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2451 is respectfully submitted to your committee.

HB 2451 would establish an electricity highway fee on electricity sold at any motor vehicle electric recharge location in the state. The amount of the fee would be determined by the Kansas Department of Transportation and approved by the Kansas Corporation Commission. All fee revenue would be remitted to the Kansas Department of Revenue on a quarterly basis and then distributed to the Motor Fuel Tax Refund Fund, the State Highway Fund, the Special City-County Highway Fund, and the Ethyl Alcohol Producer Incentive Fund. The distribution would be based on existing statutes that specify distribution to those funds. The bill would require sub-metering for residential locations that furnish electricity. Each recharge station in a commercial location would be subject to metering. An electric utility or any person or entity that owns, controls, operates, or manages an electric recharge facility can collect, over a 12-month period, the costs of metering installation. The KCC would administer the fee and the Department of Revenue would collect and deposit the fee revenue.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$14,400
FTE Pos.	--	--	--	--

The Kansas Department of Revenue indicates that as of January, 2014, there are a total of 13,380 electric or hybrid vehicles registered in Kansas. Because the amount of the fee is not specified in the bill, an estimate of the revenue that would be received and distributed cannot be

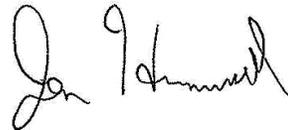
made. The Department estimates that modifications to the Department's motor fuel refund program would be required at a cost of \$14,400 for 480 hours of programmer time at \$30.00 per hour.

The fiscal effect of the bill would be negligible for the KCC.

The League of Kansas Municipalities indicates that passage of the bill would have a fiscal effect for any city that chooses to establish electric recharge stations, whether or not the city owns and operates an electric utility. Because it is not known how many cities would establish electric recharge locations, and because cities would be allowed to recover some of the costs of metering installation, it is not possible to quantify what the fiscal effect would be.

Any fiscal effect associated with HB 2451 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is fluid and cursive, with the first name "Jon" being more prominent than the last name "Hummell".

Jon Hummell,
Interim Director of the Budget

cc: Tom Day, KCC
Steve Neske, Revenue
Larry Baer, LKM
Shonda Smith, CURB