

February 25, 2019

The Honorable Mike Petersen, Chairperson
Senate Committee on Transportation
Statehouse, Room 345-S
Topeka, Kansas 66612

Dear Senator Petersen:

SUBJECT: Fiscal Note for SB 97 by Senate Committee on Transportation

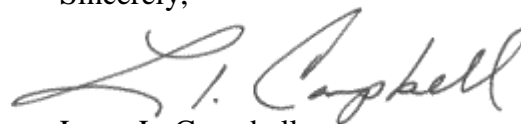
In accordance with KSA 75-3715a, the following fiscal note concerning SB 97 is respectfully submitted to your committee.

SB 97 would require fleet rental vehicles to be registered with the Department of Revenue Division of Vehicles if a vehicle rental company has more than 250 vehicles subject to the collection of excise taxes under current law. The bill would require fleet rental vehicles to be affixed with license plates issued by the Division of Vehicles. The license plates must be distinct from all other license plates and have a marking indicating the plates are rental fleet plates.

The bill would authorize the Division to add a registration fee of up to \$1 for each registration to be paid by vehicle rental companies with fleets exceeding 250 vehicles. Revenue from the fee would be deposited into a new fund, the Fleet Rental Administration Fund within the Department of Revenue. The fund could be used by the Department only for the administration costs for registering and tagging fleet rental vehicles. The bill would become effective on January 1, 2020.

The Department of Revenue estimates the bill would require additional expenditures of \$86,228 from special revenue funds for FY 2020. This figure includes \$85,354 to hire 2.00 new FTE positions to handle an estimated 15,000 to 20,000 additional transactions; \$624 to develop the new license plate; and \$250 for IT system programming costs. The Department would receive revenue from the \$1 registration fee; however, the Department is unable to estimate the amount of revenue it would receive from the fee. Any fiscal effect associated with SB 97 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Ben Cleeves, Transportation
Jay Hall, Association of Counties
Lynn Robinson, Department of Revenue