

February 4, 2025

The Honorable Shannon Francis, Chairperson  
House Committee on Transportation  
300 SW 10th Avenue, Room 582-N  
Topeka, Kansas 66612

Dear Representative Francis:

**SUBJECT:** Fiscal Note for HB 2121 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2121 is respectfully submitted to your committee.

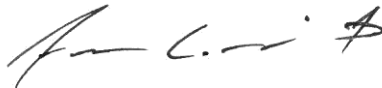
HB 2121 would remove the current registration fee for motorcycles and motorized bicycles and establish a \$30 fee for motorcycles that are all-electric. The bill would also increase the fee for motor vehicles that are electric hybrid or plug-in electric hybrid from \$50 to \$100. The fee for motor vehicles that are all electric would increase from \$100 to \$175. A \$125 fee for a truck or truck tractor that is an electric hybrid or plug-in electric hybrid with a gross weight of 12,000 pounds or less would be added along with a fee for all-electric truck or truck tractors 12,000 pounds or less in gross weight of \$200. The bill would require the fees to be remitted to the State Highway Fund and the Special City and County Highway Fund. The bill would take effect on January 1, 2026.

The Department of Revenue estimates that HB 2121 would increase state revenues by \$3,483,082 beginning in FY 2026. Of those totals, the State Highway Fund is estimated to increase by \$2,311,722, while the Special City and County Highway Fund is expected to increase by \$1,171,360 in FY 2026. To formulate these estimates, the Department of Revenue multiplied the marginal increase in the fees outlined in the bill by the estimated number of registrations for the vehicle class. The Department estimated that approximately 14,230 electric vehicle registrations would generate \$1,067,250 ( $\$75 \times 14,230$ ) in revenue, 3,148 plug-in hybrid vehicle registrations would generate \$157,400 ( $\$50 \times 3,148$ ), 45,144 hybrid-electric vehicles would generate \$2,257,200 ( $\$50 \times 45,144$ ) and 88 motorcycle registrations would generate \$1,232 ( $\$14 \times 88$ ).

The Department indicates that the bill would require \$6,700 from the State General Fund in FY 2026 to implement the bill and to modify the automated tax system. 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 Department of Transportation indicates enactment of the bill would not have a fiscal effect on agency operations or staff. Any fiscal effect associated with HB 2121 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt  
Director of the Budget

cc: Brendan Yorkey, Department of Transportation  
Lynn Robinson, Department of Revenue