

SESSION OF 2025

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2121

As Amended by House Committee on
Transportation

Brief*

HB 2121, as amended, would increase the annual license fees paid at vehicle registration of electric vehicles (EVs), electric hybrid vehicles, and plug-in electric hybrid vehicles and would establish license fees for all-electric motorcycles and electric trucks and truck tractors with gross weights of 12,000 pounds or less.

The bill would also direct that the fees collected from these annual license fees be remitted to the State Highway Fund and the Special City and County Highway Fund, to be apportioned and distributed as for motor fuel tax.

The bill would become effective January 1, 2026.

The bill would increase these fees:

- Electric hybrid vehicles, from \$50 to \$85;
- Plug-in electric hybrid vehicles, from \$50 to \$100;
and
- All-electric vehicles (EVs), from \$100 to \$165.

The bill would also create three new categories of annual license fees:

- All-electric motorcycles, \$30;

*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 <https://klrd.gov/>

- Electric hybrid or plug-in electric hybrid truck or truck tractor with a gross weight of 12,000 pounds or less, \$125; and
- All-electric truck or truck tractor with a gross weight of 12,000 pounds or less, \$200.

The bill would direct these fees to be divided between the State Highway Fund and Special City and County Highway Fund as motor fuel taxes are divided in continuing law. Continuing law directs 66.7 percent to the State Highway Fund and 33.63 percent to the Special City and County Highway Fund. Of the fees remitted to the Special City and County Highway Fund, continuing law directs 57.0 percent to counties and 43.0 percent to cities.

Background

The bill was introduced by the House Committee on Transportation at the request of Representative Hoheisel.

House Committee on Transportation

In the House Committee hearing, **proponent** testimony was provided by Representative Hoheisel and representatives of the Kansas Contractors Association, Kansas Department of Transportation, Fuel True Independent Energy and Convenience Association, and the League of Kansas Municipalities. The proponents generally stated that the increased fees would help offset the costs of decreasing motor fuels tax revenues and increased damage to roads because of increased weight of EVs and hybrid vehicles, and ensure that EV drivers are paying their fair share to maintain highways. The proponents also indicated that the funds being remitted to the State Highway Fund and the Special City and County Highway Fund will be helpful to local government units.

Written-only proponent testimony was provided by a representative of the Kansas Farm Bureau.

Neutral testimony was provided by a representative of General Motors, who reviewed General Motors' decision to produce the next-generation Chevrolet Bolt EV at the Fairfax assembly plant, stated General Motors agrees that EV and hybrid users should pay their fair share of fees, and suggested reducing the proposed \$175 fee for all-electric vehicles.

Opponent testimony was provided by a representative of the Kansas Chapter of the Sierra Club. The opponent described the benefits of EVs, and noted that the increased fees could dissuade people from purchasing EVs and hybrid vehicles in the future.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue (Department) estimates that enactment of the bill would increase state revenues by \$3,483,082 beginning in FY 2026, with \$2,311,722 to the State Highway Fund and \$1,171,360 to the Special City and County Highway Fund. To formulate these estimates, the Department multiplied the marginal increase in the fees outlined in the bill by the estimated number of registrations for the vehicle class: 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 all-electric motorcycle registrations would generate \$1,232 ($\14×88).

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. 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 enactment of HB 2121 is not reflected in *The FY 2026 Governor's Budget Report*.

Electric vehicles; EV's; hybrid vehicles; registration fees; annual license fees;