

February 15, 2012

The Honorable Larry Powell, Chairperson
House Committee on Agriculture and Natural Resources
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Powell:

SUBJECT: Fiscal Note for HB 2729 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2729 is respectfully submitted to your committee.

HB 2729 would amend existing law concerning vehicle registration by allowing vehicle permits for the state parks to be issued when registering vehicles. The permits would expire when the registration expires. County treasurers could collect and retain a service charge of up to \$.50 for each permit sold.

Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	--	\$1,787,663
Expenditure	--	--	--	\$109,430
FTE Pos.	--	--	--	--

The Kansas Department of Wildlife, Parks and Tourism (KDWPT) estimates that passage of HB 2729 would result in a net increase in revenues to the Parks Fee Fund of \$1,787,663 in FY 2013. This estimate is based on 2,313,676 cars, light trucks under 12,000 pounds, and motorized recreational vehicles currently registered in Kansas. At a 10.0 percent participation rate for vehicles at \$15 per permit, the program would generate \$3,470,514. That amount would be offset by current park annual and daily permit sales, which in 2011 generated \$1,682,851, resulting in a net gain of \$1,787,663 ($.10 \times 2,313,676 = 231,367 \times \$15 = \$3,470,514$ less \$1,682,851). The agency indicates that this program is based on a similar program in Michigan which had a participation rate of 27.0 percent in its first year of operation.

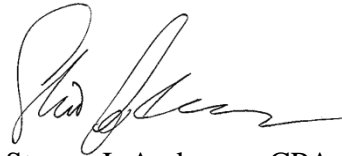
The Honorable Larry Powell, Chairperson

February 15, 2012

Page 2—2729

The Kansas Department of Revenue (KDOR) and the Division of Vehicles cannot predict how many vehicle registration applicants would elect to purchase this permit, so they defer to the KDWPT estimate of participation. The KDOR estimates that implementation of the provisions of HB 2729 would cost approximately \$109,430. This amount would include \$108,230 for the Department's vendor on the DMV Modernization Project (685 hours X \$158 per hour) and \$1,200 for in-house programming to modify legacy systems that will need to interface with the new vehicle system (40 hours X \$30 per hour). The Department of Revenue states that because this program has nothing to do with the mission of the Division of Motor Vehicles, it expects that KDWPT will pay for the programming changes needed to implement the provisions of this bill and any future costs associated with changes KDWPT might require. Any fiscal effect associated with HB 2729 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson".

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Chris Tymeson, KDWPT