

February 25, 2013

The Honorable Virgil Peck, Chairperson
House Committee on Transportation and Public Safety Budget
Statehouse, Room 274-W
Topeka, Kansas 66612

Dear Representative Peck:

SUBJECT: Fiscal Note for HB 2303 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2303 is respectfully submitted to your committee.

HB 2303 would create a driving under the influence fee of \$1 for an original or renewal license for all commercial driver's licenses; class A, B, C, or M driver's licenses; and farm permits. The bill would rename the Driving Under the Influence Equipment Fund of the Kansas Department of Health and Environment (KDHE), the Driving Under the Influence Fund and would credit all driving under the influence fees to this fund. The bill would require KDHE to establish and maintain breath alcohol programs and use the money in the Driving Under the Influence Fund toward this and other existing purposes. The bill would also require the fund to earn interest based on (1) its average daily balance for the preceding month, and (2) the net earnings rate of the Pooled Money Investment Portfolio for the preceding month.

The bill would also increase reinstatement fees for first and subsequent occurrences of violations of driving under the influence statutes. The reinstatement fees for convictions resulting from test failure would increase as follows:

1. From \$100 to \$250 after the first occurrence;
2. From \$200 to \$500 after the second occurrence;
3. From \$300 to \$750 after the third occurrence; and
4. From \$400 to \$1,000 after the fourth or subsequent occurrence.

For convictions resulting from test refusal, the reinstatement fees would increase as follows:

1. From \$400 to \$800 after the first occurrence;
2. From \$600 to \$1,200 after the second occurrence;
3. From \$800 to \$1,500 after the third occurrence; and
4. From \$1,000 to \$2,000 after the fourth or subsequent occurrence.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	\$6,250,000
Expenditure	--	\$64,150	--	\$400,000
FTE Pos.	--	--	--	--

The Department of Revenue estimates HB 2302 would increase state revenues by approximately \$6,250,000 in FY 2014. The estimate includes \$650,000 from the \$1 driving under the influence fee that would be assessed on approximately 650,000 new and renewed driver's licenses processed each year and \$5.6 million from increased reinstatement fees.

Current law requires specific percentages of reinstatement fee revenue to be distributed as follows: 50.0 percent to the Community Alcohol and Intoxication Programs Fund of the Department for Aging and Disability Services (KDADS); 20.0 percent to the Juvenile Detention Facilities Fund of the Juvenile Justice Authority (JJA); 20.0 percent to the Forensic Laboratory and Materials Fee Fund of the Kansas Bureau of Investigation (KBI); and 10.0 percent to the Driving Under the Influence Fund of the Kansas Department of Health and Environment (KDHE). Based on these percentages, the additional \$5.6 million in reinstatement fee revenue would be distributed in the following amounts:

1. \$2,800,000 to KDADS;
2. \$1,120,000 to JJA;
3. \$1,120,000 to KBI; and
4. \$560,000 to KDHE.

The Department of Revenue estimates that HB 2303 would increase its expenditures from the Division of Vehicles Operating Fund by approximately \$64,150 in FY 2013. The estimate includes one-time costs of \$12,000 to modify the existing driver's license system; \$51,150 to pay a vendor to modify the new motor vehicle system; and \$1,000 in travel costs to reprogram cash registers in driver's license office around the state.

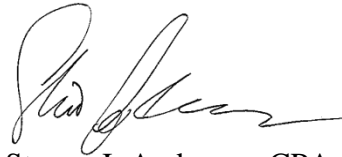
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KDHE estimates the costs to purchase equipment and continue maintenance of the breath alcohol programs as required in the bill would increase its expenditures by \$400,000 in FY 2014. The Department indicates it would use the new revenue to the Driving Under the Influence Fund to purchase the equipment. Any fiscal effect associated with HB 2303 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

cc: Steve Neske, Revenue
Aaron Dunkel, KDHE
Pam Fink, DofA