

February 4, 2016

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

Dear Senator Petersen:

SUBJECT: Fiscal Note for SB 335 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 335 is respectfully submitted to your committee.

SB 335 would increase the annual license registration fee for passenger vehicles with a gross weight of 4,500 pounds or less from \$30.00 to \$32.00. The additional \$2.00 fee would be deposited in the Law Enforcement Training Center Fund to support the general operations of the Kansas Law Enforcement Training Center.

Estimated State Fiscal Effect				
	FY 2016 SGF	FY 2016 All Funds	FY 2017 SGF	FY 2017 All Funds
Revenue	--	--	--	\$3,400,000
Expenditure	--	--	--	\$4,960
FTE Pos.	--	--	--	--

The Department of Revenue estimates that SB 335 would increase motor vehicle registration fee revenue that would be deposited in the Law Enforcement Training Center Fund by approximately \$3.4 million in FY 2017. To formulate this estimate, the Department of Revenue reviewed data on motor vehicle registrations. The Department indicates that 1,683,495 passenger vehicles weighing 4,500 pounds or less were registered in 2015. The additional \$2.00 fee would generate approximately \$3.4 million (1.7 million vehicles x \$2.00 fee) in FY 2017.

The Department of Revenue indicates the bill would require \$4,960 from the Vehicle Operating Fund to modify the motor vehicle processing system. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. However, 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, expenditures for outside contract programmer services beyond the Department's current budget may be required.

The University of Kansas indicates the additional funds would support the Kansas Law Enforcement Training Center, which is a unit of the University of Kansas Continuing Education. The Center was established by the Kansas Legislature in 1968 to train new police officers in basic training programs and also offers continuing education and specialized training to other Kansas officers. The Center's primary funding is from district and municipal court docket fees, which have been a historically consistent source of funding, but have been trending down by more than 20.0 percent in recent years. The Center has implemented cost-saving measures to lessen the impact of declining docket fee revenues. However, the Center estimates that it will spend all of its reserve funds after it makes its required bond payments on June 1, 2016. The additional funding will allow the Center to fund building maintenance projects and maintain and enhance training programs. Any fiscal effect associated with SB 335 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Jack Smith, Department of Revenue
Theresa Gordzica, University of Kansas
Melissa Wangemann, Association of Counties