

SESSION OF 2007

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2491**

As Recommended by House Committee on  
Transportation

**Brief\***

HB 2491 would require the State Treasurer to transfer to the State Highway Fund all unencumbered balances in excess of \$700,000 (currently \$400,000) in the Motor Carrier License Fee Fund (MCLFF) of the Kansas Corporation Commission (KCC). The transfers would occur on July 30 and January 30 (currently July 2 and January 2) of each year.

**Background**

The sole conferee on this bill was the spokesperson for the KCC, who told the Committee that the last time the unencumbered balances were raised was in 1988, when they were raised from \$200,000 to the current \$400,000. The increase is intended to cover KCC program expenditures throughout the fiscal year. The conferee also said that the date changes would allow the agency to close out fiscal year expenditures prior to the funds being transferred to the State Highway Fund.

The fiscal note prepared by the Division of the Budget states that under current law, the KCC would be allowed to maintain a higher ending balance in the MCLFF, and because of this, the State Highway Fund would see a reduction in the transfer it receives from the MCLFF. The State Highway Fund also could see a further reduction in revenues because the available unencumbered balance for the transfer would be lower. This would be a result of the transfer date being moved

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\*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 <http://www.kslegislature.org>

from July 2 to July 30, because the new transfer would allow the KCC to close out all year activities from the previous fiscal year and begin new fiscal year expenditures prior to transferring the unencumbered balance. If this legislation had been in effect since the beginning of FY 2006 then the State Highway Fund would have seen a cumulative reduction of \$994,616 in the amount the transfers made. It should be noted that no transfer was made in January of 2007, because the available balance of the MCLFF was below \$400,000.