

STATE OF KANSAS  
HOUSE OF REPRESENTATIVES

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403 S. WEST ROAD  
WELLINGTON, KANSAS 67152

**BILL RHILEY**  
80TH HOUSE REPRESENTATIVE

**Testimony in support of House Bill 2478**  
**Presented to Senate Transportation Committee**  
**March 8, 2022**

Chairman Petersen and Members of the Committee:

I ask that you please support HB 2478. This bill would designate the portion of US-166 to US-81 in Sumner County, then East to the western city limits of Arkansas City, in Cowley County, as the SGT Evan S Parker Memorial Highway.

SGT Parker was born in Wichita and raised in South Haven. SGT Parker enlisted in the U.S. Army, deployed to Iraq in 2004, and died in 2005 during Operation Iraqi Freedom. SGT Parker received several meritorious awards, including two Purple Hearts and the Bronze Star.

Sergeant Parker was awarded his first Purple Heart in May 2005 for head trauma caused by a roadside IED attack. Sergeant Parker was promoted to Sergeant in July 2005. Sergeant Parker was two weeks away from finishing his 11-month deployment when he again suffered head trauma from another roadside IED attack on October 23, 2005, and was flown to Landstuhl Army Medical Center in Germany and removed from life support on October 26, 2005, surrounded by his family.

Sergeant Parker received the Bronze Star, second merit, the Purple Heart and the Good Conduct Medal presented by two of his commanders. Sergeant Parker received the Hawaii Medal of Honor in 2006. Sergeant Parker was honored by the Fort Shafter Flats Army Reserve 25th Infantry Division in Honolulu, Hawaii, when they dedicated the "Sgt. Evan S. Parker Pavilion". Sergeant Parker is listed honorably in the 100th Battalion, 442nd Infantry "GO FOR BROKE" Hall of Fame in Honolulu, Hawaii.

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Sergeant Parker was highly decorated in the United States Army throughout his military career as a Fire Support Specialist, is defined as a hero and sacrificed his life to protect our freedom and the principles of democracy.

You can learn more about SGT Parker at [goldstarfamilyregistry.com](http://goldstarfamilyregistry.com).

Thank you for your time.

Respectfully,

State Representative Bill Rhiley  
Kansas House of Representatives  
80<sup>th</sup> District



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March 15, 2022

The Honorable Richard Proehl, Chairperson  
House Committee on Transportation  
Statehouse, Room 582-N  
Topeka, Kansas 66612

Dear Representative Proehl:

SUBJECT: Fiscal Note for HB 2488 by Representative Rhiley

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2488 is respectfully submitted to your committee.

HB 2488 would establish the EV Energy Equity Road Repair Tax Act, which would impose a road repair tax equal to \$0.03 per kilowatt-hour of electricity provided to an electric vehicle at a public charging station. The road repair tax would be imposed regardless of whether the public charging station charges for the electricity or provides the electricity for free. The owner of the public charging station would remit the tax to the Director of Taxation to be credited to the State Highway Fund. The public charging station owner would also be entitled to charge and collect an amount equal to the road repair tax as part of the selling price. The Secretary of Revenue would be required to adopt rules and regulations establishing the criteria and procedures for the licensing of public charging stations of the energy provided. The bill would make it unlawful for the owner of a public charging station to:

1. Fail, neglect, or refuse to render the road repair tax to the Director of Taxation at the Department of Revenue, within the time required by the Director, and under rules and regulations adopted by the Director;
2. Fail, neglect, or refuse to pay the Director any tax, interest, or penalties for which the person would be liable;
3. Fail, neglect, or refuse to keep and maintain for three years, or fail to make fully and free accessible during business hours to the Department of Revenue all books, papers, and records required by the Act to be kept, maintained, and made accessible;
4. Assisting or allowing a person to violate any provision of the Act; or
5. Falsify, forge, or willfully conceal from the Department of Revenue any books, papers, and records required by this Act.

A violation of the bill's provision would be a misdemeanor and any person convicted would be punished by a fine \$25 per kilowatt-hour of energy that the tax is found to not have been remitted to the Department of Revenue and a fine of \$5,000 up to \$50,000, or imprisonment in the county jail for not less than 30 days or more than one year, or by both fine and imprisonment for failure to remit the tax and all other offenses.

The Department of Revenue estimates that HB 2488 would increase State Highway Fund revenues by \$476,840 in FY 2023, \$481,608 in FY 2024, and \$486,424 in FY 2025. To formulate the estimates of the road repair tax, the Department notes that for calendar year 2021 the state had 6,812 electric vehicles. The Department also notes using data from the National Household Travel Survey, economist Lucas Davis of the University of California, Berkley, specified that electric vehicles are driven less frequently than gasoline vehicles at an average of around 7,000 miles annually. Further, the Department indicates according to the Kelly Blue Book, that as a rule of thumb, it is three to four miles per kilowatt-hour. The Department estimates assume that all of the vehicles traveled the total average miles each year of 7,000 and used one kilowatt-hour for every three miles and would be taxed at a rate of \$0.03 for each kilowatt-hour.

The Department of Revenue indicates that it would require a total \$572,194 from the State General Fund in FY 2023 to implement the bill and to modify the automated tax system. The bill would require the Department to hire 1.00 new FTE position to answer questions from taxpayers. The Department estimates that ongoing expenses for salaries and wages for the 1.00 FTE position and overhead expenses would total \$61,606 from the State General Fund in FY 2024. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. 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 Kansas Department of Transportation (KDOT) indicates that the bill would increase State Highway Fund revenues, as noted above. KDOT notes that the amount of historical data or trends regarding electric vehicles and a means of charging and collecting revenue from a source other than motor fuels tax is very limited.

The Kansas Sentencing Commission indicates enactment of the bill would not have an effect on prison admissions or beds because the penalty is a misdemeanor. Any fiscal effect associated with HB 2488 is not reflected in *The FY 2023 Governor's Budget Report*.

The Kansas Association of Counties states enactment of the bill would generate revenue to assist with road repair and construction, which would encourage highway use and benefits counties that do not have a state highway. The Association notes that because the tax is also imposed on public charging stations who do not charge for electricity, it could discourage electric vehicle investment and development, which could affect businesses who depend on electric vehicle purchases.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Jay Hall, Association of Counties  
Scott Schultz, Sentencing Commission  
Brendan Yorkey, Department of Transportation  
Lynn Robinson, Department of Revenue