

Economic Lifelines

Stimulating Economic Vitality Through Leadership in Infrastructure Development

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TO:Senate Committee on TransportationFROM:Travis Lowe, CAEEconomic LifelinesRE:Support of HB 2121DATE:March 11, 2025

Chairman Petersen and members of the committee,

On behalf of Economic Lifelines, thank you for the opportunity to submit written testimony in support of HB 2121, adjusting the registration fees for electric and hybrid vehicles.

Economic Lifelines serves as a state-wide coalition supporting Kansas transportation and infrastructure policy. Economic Lifelines is proud to represent over 80 members, consisting of private businesses, trade associations, local units of government and local chambers of commerce, located in Kansas.

As the statewide coalition dedicated to securing sustainable transportation funding, we recognize the need to address and offset the declining purchasing power of the State Highway Fund due to inflation and shifting vehicle trends.

KDOT relies on stable and predictable revenue to maintain and enhance Kansas' transportation infrastructure. However, as vehicle technology evolves, Kansas will have to re-evaluate funding resources that should include electric vehicle registration fees.

While Kansas' electric vehicle fleet is currently small, it is expected to grow over time, further impacting fuel tax collections. Although vehicle miles traveled have increased, fuel tax revenue has remained flat, weakening the State Highway Fund's ability to support essential transportation investments. Inflation further exacerbates this challenge, reducing the purchasing power of each dollar collected and making it more difficult to keep up with rising construction, maintenance, and material costs.

HB 2121 offers a practical and equitable solution by adjusting registration fees for electric and hybrid vehicles, ensuring all road users contribute in a consistent manner. According to Kansas Department of Revenue data, this bill is projected to annually generate approximately \$3.5M with \$2.3M to the State Highway Fund and \$1.2Mfor the Special City and County Highway Fund.

We thank the committee for their consideration.