



Adam C. Proffitt, Director

Laura Kelly, Governor

February 12, 2026

The Honorable Tom Kessler, Chairperson  
 House Committee on Federal and State Affairs  
 300 SW 10th Avenue, Room 346-S  
 Topeka, Kansas 66612

Dear Representative Kessler:

SUBJECT: Fiscal Note for HB 2577 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2577 is respectfully submitted to your committee.

Under current law, where available and as long as the price is not greater than \$0.10 more per gallon than the price of diesel fuel, a 20.0 percent or higher blend of biodiesel must be purchased for use in state-owned diesel-powered vehicles and equipment. HB 2577 would increase the price threshold to \$0.25 more per gallon than the price of diesel fuel and would require a biodiesel blend of 20.0 percent or higher in state-owned diesel-powered vehicles and equipment.

Estimated State Fiscal Effect			
	FY 2026	FY 2027	FY 2028
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	--	\$477,500	\$331,600
Federal Fund	--	--	--
Total Expenditures	--	\$477,500	\$331,600
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	--	--

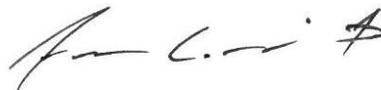
The Department of Transportation indicates enactment of the bill would increase expenditures from the State Highway Fund by \$477,500 in FY 2027 and \$331,600 thereafter. Of the FY 2027 amount, \$180,000 would be for increased fuel costs, \$140,000 would be for additional fuel filter replacements, \$80,000 would be for additional diesel storage tank treatment and cleaning, \$71,600 would be for additional diesel particulate filter repair and replacement, and \$5,900 would be for additional fuel filters on diesel dispensers. The expenditures for additional fuel filter replacements, totaling \$145,900 in FY 2027, would be one-time expenditures that would not continue into FY 2028. The Department estimates it would consume approximately 747,500 gallons of fuel each winter and 722,500 gallons during the rest of the year. The Department notes that no additional staff or increases to its operating expenditure limitation would be required to implement the provisions of the bill.

The Highway Patrol states that it has a limited amount of diesel-fueled equipment and that enactment of the bill would have a minimal fiscal effect that could be absorbed within existing resources.

The Board of Regents indicates enactment of the bill would have a minimal fiscal effect on postsecondary educational institutions that could be absorbed within existing resources.

The Department of Administration indicates enactment of the bill would not have a fiscal effect on the agency. Any fiscal effect associated with HB 2577 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt  
Director of the Budget

cc: Samir Arif, Department of Administration  
Kyle Strathman, Department of Insurance  
Scott Schultz, Kansas Sentencing Commission  
Wendi Stark, League of Kansas Municipalities  
Jay Hall, Kansas Association of Counties  
Angie Stallbaumer, Kansas Association of School Boards