

SESSION OF 2026

SUPPLEMENTAL NOTE ON SENATE BILL NO. 404

As Amended by Senate Committee on
Transportation

Brief*

SB 404, as amended, would authorize a service fee of not more than \$15 for a vehicle registration or renewal from July 1, 2026, through June 30, 2028. The entity performing the service—the county treasurer; the Division of Vehicles (Division), Kansas Department of Revenue (KDOR); or a contractor of the Division of Vehicles—would be authorized to determine whether to charge the fee and the amount.

The bill also would rename a fee related to county registration facilities as a transaction fee and remove a limit of \$2.50 on that fee if a county has a single vehicle registration facility. It would authorize a transaction fee not to exceed \$5 to be paid by an applicant for vehicle registration or renewal, regardless of the number of vehicle registration facilities in a county.

Under continuing law, the fees would be deposited into a special fund appropriated for use by the county treasurer, Division, or contractor to pay for necessary help and expenses incidental to the administration of vehicle-related duties.

Background

The bill was introduced by the Senate Committee on Transportation at the request of a representative of Sedgwick County.

*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 <https://klrd.gov/>

Senate Committee on Transportation

In the Senate Committee hearing, the County Treasurers of Johnson and Riley counties, also representing the Kansas County Treasurers Association; the County Treasurers of Sedgwick and Wallace counties; a representative of the Big 5 County Caucus (Douglas, Johnson, Sedgwick, Shawnee, and Wyandotte counties); and a representative of the Sedgwick County Commission provided **proponent** testimony. Proponents generally stated the bill would reduce reliance on property tax revenues for these services, improve efficiency, increase funding, and modernize an archaic fee structure system.

Written-only proponent testimony was provided by the County Treasurers of Barton, Gove, and Saline Counties and representatives of the Board of Riley County Commissioners, Kansas Association of Counties, and Kansas Contractors Association.

Neutral testimony was provided by a representative of KDOR, who expressed concerns about provisions of the bill that would statutorily begin the five-year registration period for a personalized license plate at the date it was originally issued, noting the provision would create challenges in notifying customers with those plates at the proper time and with KDOR's statutorily required redesign of the background of the personalized plate every five years.

No other testimony was provided.

The Senate Committee amended the bill to remove provisions regarding the starting date for the five-year registration period for a personalized license plate, add authorization for the Division or a contractor to determine whether to charge a service fee of up to \$15, and limit the service fee of up to \$15 to the period July 1, 2026, through June 30, 2028.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDOR indicates enactment of the bill would increase its expenditures by \$23,025 for developer work, communications, and training. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties indicates enactment of the bill, as introduced, would have long-term fiscal considerations for counties, such as costs for the procedural change and the personalized change, fees, and revenue gains, but an estimated fiscal effect was not provided. It also noted enactment of the bill would have a fiscal effect on counties through all costs associated with the license plate change and the potential for price increases generating more income.

Vehicle; county treasurer; service fee; fee