

January 24, 2012

The Honorable Carl Holmes, Chairperson
House Committee on Energy and Utilities
Statehouse, Room 174-W
Topeka, Kansas 66612

Dear Representative Carl Holmes:

SUBJECT: Fiscal Note for HB 2455 by House Committee on Energy and Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2455 is respectfully submitted to your committee.

HB 2455 would create the Electricity Highway Fee as part of the budget of the Kansas Corporation Commission (KCC). The bill would impose an electricity highway fee on electricity sold at motor vehicle recharge locations. The amount of the fee would be comparable to the motor fuel tax and would be determined by the Kansas Department of Transportation (KDOT) and approved by the KCC.

All fee revenue collected would be remitted to the Department of Revenue (KDOR) on a quarterly basis. The Department would then remit all fees to the State Treasurer who would credit a portion of the revenue, as determined by the Director of Revenue to the Motor-Vehicle Fuel Tax Refund Fund to pay motor vehicle fuel tax refunds and the remainder would be distributed according to the formula in statute to the State Highway Fund, the Special City and County Highway Fund, and the Kansas Qualified Agricultural Ethyl Alcohol Producer Incentive Fund.

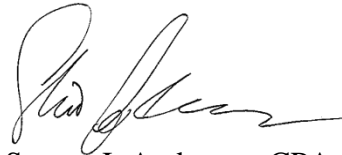
Any person or organization that owns controls, operates, or manages a motor vehicle electric recharge location would not be considered a public utility. Any person or organization that furnishes electricity to a motor vehicle electric recharge location would be required to utilize a separate electric meter to measure the amount of electricity furnished. The furnishing of electricity by any person or organization would be considered a retail sale of electricity and would not be considered as a sale for resale.

The KCC would not be responsible for regulating or prescribing rates, charges, and fees for the provision of electricity for a motor vehicle electric recharge location; although the KCC would be responsible for adopting rules and regulations necessary to implement the bill.

Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$11,922	\$11,922
FTE Pos.	--	--	--	--

The Kansas Corporation Commission indicates that passage of the bill would have no fiscal effect on agency operations. The Department of Revenue would be required to set up and test an electronic filing remittance and deposit system to implement the bill at a cost of \$11,922 from the State General Fund. Any fiscal effect associated with HB 2455 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Tom Day, KCC
Steve Neske, Revenue
Mary Torrence, Revisor's Office