

Section by Section Summary for 2019 HB 517 PHS 1
Highway Infrastructure Financing

Only Changes are in Sections 23 and 24 to correct drafting error in original bill

Sec. Page	Amends KRS	Takes Effect	Summary
1 Pg. 1	138.210	7/1/19	<ul style="list-style-type: none"> • Sets the average wholesale price (AWP) floor of gasoline at \$2.90. • Essentially adds 6.5 cpg to variable excise portion of the fuel tax. • Brings total rate, including UST fee, to previous high of 32.5 cpg (From Q1 of 2015)
2 Pg. 6	138.220	7/1/19	<ul style="list-style-type: none"> • Increases the supplemental tax on gasoline and special fuels from the existing rate of 5 cpg on gasoline & 2 cpg on special fuels to 8.5 cpg for both. • Sets 8.5 cpg as the minimum rate; subjects the supplemental tax to annual adjustment as described in Section 3. • Requires annual notification to motor fuel dealers of the AWP and the adjusted rate of supplemental tax for each upcoming fiscal year. • Requires annual notification to county clerks of the level of registration fees for electric vehicles.
3 Pg. 8	138 New Section	7/1/19	<ul style="list-style-type: none"> • Provides a mechanism for annual adjustment of the supplemental motor fuel tax based on changes in the National Highway Construction Cost Index 2.0. • Allows the supplemental tax to increase or decrease no more than 10 percent from one year to the next.
4 Pg. 9	186 New Section	1/1/20	<ul style="list-style-type: none"> • Establishes a base fee, collected at the time of motor vehicle registration, for nonhybrid electric vehicles. • Requires the fee to be adjusted with any increase or decrease in the tax on motor fuels as a result of the mechanisms in KRS 138.228 and Section 3 of the Act. • Establishes a highway preservation fee for non-commercial vehicles, payable upon annual registration, of \$5-\$20, based on the EPA mileage rating of the make, model, and year of vehicle • Requires that all fees collected under this section be transferred to the road fund.
5 Pg. 10	186.010	1/1/20	Defines the terms "nonhybrid electric vehicle".
6 Pg. 16	186.018	Regular	Increases the fee for a driving history record from \$3 to \$6.

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7 Pg. 17	186.020	1/1/20	<ul style="list-style-type: none"> • Eliminate the requirement to present a registration receipt upon vehicle renewal • Allow mail and online registration renewal without an additional fee
8 Pg. 20	186.040	1/1/20	<ul style="list-style-type: none"> • Eliminates the \$30 county clerk fee for motor carrier registrations on vehicles in excess of 44,000 pounds. • Clarify that apportioned vehicles are not registered through the county clerks. • Increase the County Clerk fee for vehicle registration from \$6 to \$7
9 Pg. 22	186.050	1/1/20	<ul style="list-style-type: none"> • Increases state fee for motor vehicle registrations from \$12 (\$11.50 + \$0.50 reflectorized plate fee) to \$22. • References the fees for electric vehicles user fee and highway preservation fee collected under this Act. • Provides for a \$10 late charge for vehicle registrations not renewed within 30 days of expiration.
10 Pg. 30	186.162	1/1/20	<ul style="list-style-type: none"> • Adjusts special license plate fees to conform to the increased state and clerk fees. • Makes technical corrections to clerk fees for special plates to clarify that purchasers to these plates owe a clerk fee of \$6 (This is the fee that is currently charged and corrects a drafting error from 2006).
11 Pg. 37	186.180	1/1/20	Conforming language clarifying who pays reinstatement fees after a suspended registration
12 Pg. 39	186.240	1/1/20	Makes conforming amendments to eliminate the separate 50 cent fee for the reflectorized plate fund and clarify that the state registration fee includes 50 cents to go to that fund
13 Pg. 42	186.440	1/1/20	Eliminates one of two separate fees in statute for driver license reinstatement (to be consolidated in Section 15) and clarify that someone who has not paid the DL reinstatement fee may not be issued a license.
14 Pg. 44	186.450	1/1/20	Eliminates the other fees in statute for driver license reinstatement (to be consolidated in Section 15) and clarify that someone must pay the DL reinstatement prior to relicensing.

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15 Pg. 48	186.531	1/1/20	<ul style="list-style-type: none"> • Consolidates driver license reinstatement fee language. • Sets reinstatement fee at \$100 (previously \$40) • Provides for distribution of funds. • Provides for exceptions.
16 Pg. 52	281A.150	1/1/20	Increases reinstatement fees for suspended CDLs from \$50 to \$100
17 Pg. 54	186.164	1/1/20	Conforming amendment Registration and Clerk's fees for special plates
18 Pg. 61	186A.130	Regular	Sets fees for titles and adjust the distribution of fees as follows: <ul style="list-style-type: none"> • Initial \$25 (\$18 KYTC / \$7 Clerk) • Duplicate \$10 (\$6 KYTC / \$4 Clerk) • Speed \$40 (\$32 KYTC / \$7 Clerk)
19 Pg. 62	186A.245	Regular	Conforming language on fees and distributions duplicate titles.
20 Pg. 63	189.574	Regular	Increases the fee for state traffic school from \$15 to \$50
21 Pg. 67	189.270	Regular	Increases fees for various overweight and overdimensional permits.
22 Pg. 71	174 Create	Regular	Creates the multimodal transportation fund. Specifies allowable uses for moneys in the fund. Appropriates funds for those purposes.
23 Pg. 72	177.320	7/1/19	Set up a two tier revenue sharing percentage system for counties: <ol style="list-style-type: none"> 1. If the amount fuel tax that is eligible for revenue sharing in any one year is < \$825 million, 18.3% goes to county roads (Same as current formula) 2. If the amount of fuel tax that is eligible for revenue sharing in any one year is > \$825 million, county roads will receive: <ul style="list-style-type: none"> • 18.3% of \$825 Million • 13% of any amount in excess of \$825 million

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24 Pg. 73	177.365	7/1/19	Set up a two tier revenue sharing percentage system for cities: <ol style="list-style-type: none"> 1. If the amount fuel tax that is eligible for revenue sharing in any one year is < \$825 million, 7.7% goes to city streets (Same as current formula) 2. If the amount of fuel tax that is eligible for revenue sharing in any one year is > \$825 million, city streets will receive: <ul style="list-style-type: none"> • 7.7% of \$825 Million • 13% of any amount in excess of \$825 million
25 Pg. 74	Non-codfied	N/A	Delayed Effective Date clause for Gas Tax Sections Sections 1 to 3 and 23 and 24 (Effective July 1, 2019)
26 Pg. 74	Non-codfied	N/A	Delayed Effective Date clause for Registration / Driver L License Sections. Sections 4,5, and 7 to 17 (Effective January 1, 2020)

The \$825 million threshold for the new revenue sharing formula between cities and counties is derived from the amount eligible for revenue sharing in the previous high year in fuel tax receipts (FY 14 -- \$886 million). The \$886 million, less the 2.1 cents per gallon of the fuel taxes exempted from revenue sharing under KRS 138.220, comes out to \$825 million.

The number of \$760 million was put in the original bill due to a drafting error. That number was derived from the assumption that the \$825 million was the high mark for total fuel tax revenue, then taking the 2.1 cpg off that number.