

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

The meeting was called to order by Sen. Bill Morris at
Chairperson

9:00 a.m./~~p.m.~~ on February 13, 1985 in room 254-E of the Capitol.

All members were present except:

Committee staff present:

Hank Avila, Research Department
Fred Carman, Revisor
Louise Cunningham, Secretary

Conferees appearing before the committee:

Ed Schaub, Southwestern Bell, Topeka
Erne Mosher, League of Kansas Municipalities
Jim Sullins, Kansas Motor Car Dealers Association
Alan Alderson, County Treasurers Association
Doris Larsen, President of the County Treasurers' Association, Lincoln County
Bill O'Brian, Johnson County Treasurer
Shirley Tate, Leavenworth County Treasurer
Harley Duncan, Secretary, Department of Revenue

On a motion from Sen. Francisco and a second from Sen. Martin, the Minutes of February 7, 1985 were approved. Motion carried.

Ed Schaub, Southwestern Bell, said he had a bill that telephone companies would like to have introduced. This is not a Southwestern Bell bill but concerns all telephone companies. It had to do with resale of basic telephone service by other than public utilities. If the problem is not solved it would have serious impact on telephone service.

A motion was made by Sen. Francisco and seconded by Sen. Hayden to introduce the requested bill as a committee bill. Motion carried.

Erne Mosher, League of Kansas Municipalities requested a bill relating to cities which would authorize establishment of a consolidated highway fund. This fund could simplify city financial procedures, reduce fund balance needs, and permit more effective capital improvement planning of municipal street needs. A copy of the proposed amendment is attached. (Attachment 1).

A motion was made by Sen. Walker and seconded by Sen. Hayden to introduce the requested bill as a committee bill. Motion carried.

Jim Sullins, Kansas Motor Car Dealers' Association, said during the summer the Kansas Review Board made a study concerning dealer plates and had made some recommendations. They deal with requirements to be licensed by dealers, increased fees and a special type of tag. A motion was made by Sen. Hayden and seconded by Sen. Francisco to introduce the requested bill as a committee bill. Motion carried.

HEARING ON S.B. 155 - County treasurers; fees.

PROponents:

Alan Alderson, Attorney, Kansas County Treasurers' Association, said there were three changes the Association would like to have. S.B. 155 would 1) Increase the fees from 50¢ to \$1.00; 2) Increase the personal compensation to County Treasurers from \$240 per thousand total vehicle registrations to \$360 per thousand total vehicle registrations; and 3) Authorize the County Treasurer to retain, until the first of June, the balance of the Motor Vehicle funds which are credited to the County General Fund at the end of the year. A copy of his statement is attached. (Attachment 2).

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,
room 254-D, Statehouse, at 9:00 a.m./~~p.m.~~ on February 13, 1985.

Doris Larsen, President, County Treasurers' Association, Lincoln County, said she was appearing on behalf of the smaller counties of Kansas. None of these counties maintain a separate vehicle office. The county must subsidize the vehicle portion of the treasurer's office with county funds. County Commissioners are becoming increasingly reluctant to fund duties mandated by state law with no provision for additional revenue. Passage of this bill would result in increased revenue at the County level without reducing state funds. A copy of her statement is attached. (Attachment 3).

Bill O'Brian, County Treasurer, Johnson County, said he was appearing on behalf of the larger counties. They have been able to operate within the framework of their fees and have turned over to the general fund sufficient amounts of money because of the large number of vehicles in their counties. However, they are anticipating that now is the time to ask for an increase because their budgets are going up 4 to 5% per year because of inflation. Now they are at the break-even point and they would like to handle it in an orderly manner.

Mr. O'Brian was asked about the use of computers and he said that was still at least two years away. He was also asked about the feasibility of a sliding scale for the increase.

Shirley J. Tate, County Treasurer, Leavenworth County, said that her Motor Vehicle Office would be operating in the red in 1986 should the Legislature not act positively on S.B. 155. She urged the committee to support the bill. A copy of her statement is attached. (Attachment 4).

Harley Duncan, Secretary, Department of Revenue, said they were neither an opponent or proponent of the bill. He said they had a good working relationship with the County Treasurers and they are very important to the Department of Revenue and act as their agent. It is a system that has worked well and they want to continue to work with them. He said this increase would not affect the state revenues and these offices are a convenience to the people. It would be appropriate to pay for the cost of these offices. Mr. Duncan was asked if consideration had been given to handle all of it out of Topeka. He said there had been informal discussion but a study had never been made.

Meeting was adjourned at 9:50 a.m.

SENATE TRANSPORTATION & UTILITIES COMMITTEE

Date 2-13-85 Place 254-E Time 9⁰⁰ a.m.

GUEST LIST

PLEASE PRINT

NAME

ADDRESS (City)

ORGANIZATION

Harold Cook	Ulysses, KS	Leades NAT GAS
Ed Cole	Hugoton, KS	" " "
JACK R. HARSON	Hutchinson, KS	" " "
David J. Neighbors	Hutchinson, KS	" " "
CLIFF SMITH	GOODLAND, KS	" " "
Kenneth Shantz	Sublette, KS	" " "
GERALD D. QUICK	COUNCIL BLUFFS, IA	" " "
James M. McCommel	Council Bluffs, Ia.	" " "
H. D. Stark	Dodge City, Kans	" " "
John Jordison	Council Bluffs Iowa	" "
Wm. E. O'BRIEN	OLATHE, KS.	TREASURER
Max R. Fuld	Sedgewick County	

SENATE TRANSPORTATION & UTILITIES COMMITTEE

Date 2-13-85 Place 254-E Time 9:00 a.m.

GUEST LIST

PLEASE PRINT

NAME

ADDRESS (City)

ORGANIZATION

Tom Whitaker	Topeka	Ks Motor Carriers Assn
PAUL W. MATTHEWS	OKLA. CITY	HIGHWAY USERS FEDERATION
Ed Sphaub	Topeka	SWBT
Dick Berger	"	"
H. Duncan	Topeka	Dept of Rev
Harry Jousitt	Smith Center	Ks. Co. - Treas. Assn.
JIM SULLINS	TOPEKA	Ks. Motor Car Dealer's Assn
ALAN ALBERSON	TOPEKA	COUNTY TREASURERS ASSN.
Marge Richards	Topeka	County Treasurers Assn.
MIKE BILLINGER	HAYS	COUNTY TREASURERS ASSN
ED DE SOIGNIE	TOPEKA	KS. DEPT. OF TRANSPORTATION
Mary B. Ladosic	K.C.K.	Wdy. Co. Treasurer
Doris Larsen	Lincoln	Lincoln Co Treasurer
Shirley J. Tate	Lawrenceville	Leas County Treas Assn
Harold Skrutnie	TOPEKA	DEPT. OF REVENUE
Ed Mosher	Top	League of Municipalities

SENATE BILL No. _____

By Committee on Transportation and Utilities

AN ACT relating to cities; authorizing the establishment of a consolidated highway fund.

Be it enacted by the Legislature of the State of Kansas:

Section 1. The governing body of any city may provide, by ordinance, for a consolidated highway fund to which may be credited moneys received by the city from state payments under the provisions of K.S.A. 68-416 and 79-3425c, and amendments thereto. The ordinance creating such fund also may provide for annually budgeting the transfer of moneys in the general or other funds of the city budgeted for highway purposes to the consolidated highway fund. Moneys in such a consolidated highway fund shall be used solely for highway purposes.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

2/13/85
(ATT. 1)

Consolidated City Highway Fund Bill

Purpose: To authorize cities to establish a consolidated highway fund.

Background: Every city now has at least two highway "funds"--the street account within its general fund and the special highway fund (the fund for the city share of the state "special city and county highway fund" aid program). Some cities have more. K.S.A. 68-416 provides that state payments to cities for the maintenance of state highway connecting links must be "credited to the street and alley funds of such cities and shall be used solely for the maintenance of city connecting links."

Further, about 35 cities of the third class have a special street maintenance fund under K.S.A. 15-733, and about 60 cities of the second and third class have a special street lighting fund under K.S.A. 14-535 and 15-712. In addition, there are at least 35 cities that have provided by home rule charter ordinance for a special tax (fund) to be levied for street purposes outside the tax lid.

Explanation: The provisions of the bill are self-explanatory. The simple purpose is to permit cities to establish a single consolidated highway fund, to replace the several separate accounts and funds that now exist. Where a separate property tax fund exists, money therein could be transferred (by the budget) to the consolidated fund, with the actual disbursements made from the consolidated fund. Moneys in the consolidated fund may be used solely for highway purposes.

The bill may appear to amend by implication the provisions of K.S.A. 1984 Supp. 79-3425c. However, the language in this statute (four full columns) provides, in subsection (c), that the city treasurer shall credit state highway aid payments "to a separate fund to be used for the construction, reconstruction, alteration, repair and maintenance of the streets and highways. . ." It is suggested that the proposed "consolidated highway fund" meets the requirements of "a separate fund" in that act. The original intent of the "separate fund" was to prevent cities from using highway aid for police or other non-highway purposes, an intent preserved by the bill.

Advantages: A single consolidated fund could simplify city financial procedures, reduce fund balance needs, and permit more effective capital improvement planning of municipal street needs.

The introduction and passage of this bill is supported by the League of Kansas Municipalities. It is a policy objective set forth in the League's convention-adopted Statement of Municipal Policy and has been approved for sponsorship by the League governing body.

MEMORANDUM

TO: MEMBERS OF THE SENATE TRANSPORTATION AND UTILITIES COMMITTEE

FROM: ALAN F. ALDERSON, ATTORNEY, KANSAS COUNTY TREASURERS' ASSOCIATION

RE: SENATE BILL NO. 155

DATE: FEBRUARY 13, 1985

Senate Bill No. 155 was introduced at the request of the Kansas County Treasurers' Association, and the Association appreciates the time given for the consideration of its needs. Following a brief explanation of the purposes of the bill, brief testimony will also be given by three members of the association: Doris Larsen, President of the Association, from Lincoln County, who will be speaking on behalf of the smaller counties; Shirley Tate, from Leavenworth County, representing the middle-sized counties; and Bill O'Brien, from Johnson County, representing the larger counties.

Senate Bill No. 155 would make three changes, effective January 1, 1986:

- 1) It would increase the service fees retained by County Treasurers from 50¢ to \$1.00. This would generate an additional \$1,300,000 in revenue to motor vehicle offices throughout the State which, depending on inflation and changes in State law should provide enough funding for four additional years. This change would not create any deficit in the state highway fund and would only place the increased burden for operation of motor vehicle offices on the user, and not the general county taxpayer;

2/13/85
(ATT. 2)

2) it would increase the personal compensation to County Treasurers from \$240 per thousand total vehicle registrations or fraction thereof, to \$360 per thousand total vehicle registrations. The maximum allowable compensation would be correspondingly increased from \$2,400 to \$3,600. County Treasurers believe the auto special fund should bear a greater burden of the County Treasurer's salary primarily because of the increased responsibilities associated with the motor vehicle office. Secondly, it is essential to increase the motor vehicle fund compensation to account for the inflation factor as do salaries paid out of the county general fund; and

3) it would also authorize the County Treasurer to retain, until the first of June, the balance of the Motor Vehicle funds which are credited to the County General Fund at the end of the year. Presently there is no statutory direction with respect to the date on which the unexpended vehicle funds are to be remitted for crediting to the county general fund and the amendment is needed since many Motor Vehicle Offices do not generate enough revenues during the first few months of the year to offset expenses.

At this time, I would like to introduce Doris Larsen, who will present testimony showing the need for the proposed changes and their effect on the smaller counties.

DORIS LARSEN
COUNTY TREASURER
LINCOLN COUNTY
LINCOLN, KANSAS 67455

1 of 2

Mr. Chairman, members of the Committee:

I am Doris Larsen, Lincoln County Treasurer and President of the Kansas County Treasurers Association.

On behalf of myself and the County Treasurers Association I want to express my appreciation to you for granting this opportunity to appear before your committee. I respectfully urge your favorable consideration of SB155.

I am appearing before you today on behalf of the smaller counties of Kansas. Sixty two counties, over half the counties in the state, have a population of less than 10,000. None of these counties maintain a separate vehicle office. All counties this size must subsidize the vehicle portion of the treasurers office with county funds. This method of funding, in many instances, has obscured the deficit between revenue generated and the cost of operating the vehicle office. "It has always been done this way", and often the elected officials, hard pressed to meet the challenges of additional and ever changing responsibilities have not realized that their vehicle offices are not "paying their way".

Long lines in the motor vehicle offices of some counties have become a political liability to the treasurer. We have long lines in the smaller counties too, granted the lines are not as long and not as often as the larger counties, but there will always be the individuals who see no reason to come in today when the final day is tomorrow. The small county treasurer may find themselves in the unenviable position of handling a high volume of work and at the same time attempting to cut back personnel and operational expenses. County Commissioners are becoming increasingly reluctant to fund duties mandated by state law with no provision for additional revenue.

In 1984 my office handled 6694 vehicle transactions (registration renewals, title applications, permits, etc). The total of all vehicle transactions in 1984 was \$132,949.97, of which the State of Kansas

2/13/25
(ATT. 3)

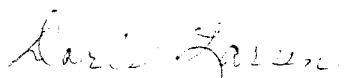
received \$123,851.22 and Lincoln County retained \$9098.75 (6.84%).

I employ one part time and two full time clerks. The 1984 total salary of the clerk responsible for vehicle reports was \$9682.80, as you can see Lincoln County was short \$584.04 of funding even one clerks salary. In addition Social Security, KPERS, Unemployment Insurance and operational expenses of operating the motor vehicle portion of my office would be approximately \$9773.00, based on a conservative estimate that maintaining the Motor Vehicle office results in 35% of total costs.

SB155 would generate approximately \$2617.00 additional revenue in Lincoln County, partially to alleviate the deficit in fund the vehicle office.

I am sure you are concerned with who stands to benefit from passage of SB155. This bill would benefit the State of Kansas, the counties, the taxpayers, and the County Treasurers. The result of passage of SB155 bill would result in increased revenue at the County level without reducing state funds. The burden on county funds would be alleviated because the vehicle owners, many of whom pay no other local taxes, would be providing the revenue rather than all local taxpayers. Line 68 of the bill which designates June 1 of the following calendar year to transfer, to the county general fund, the balance remaining December 31 in the treasurers vehicle fund. This amendment would allow the treasurer to use the unexpended balance until sufficient funds have accumulated to prevent the motor vehicle office from operating in the red.

Again, I urge your assistance in the passage of this bill and thank you for your time and consideration.


Doris Larsen, President
Kansas County Treasurers Association
(Lincoln County Treasurer)

STATEMENT
OF
SHIRLEY J. TATE
LEAVENWORTH COUNTY TREASURER
BEFORE THE
SENATE TRANSPORTATION AND UTILITIES COMMITTEE
WEDNESDAY, FEBRUARY 13, 1985

Mr. Chairman and Members of the Committee, my name is Shirley J. Tate, and I am the County Treasurer of Leavenworth County.

I would like to express my appreciation to this Committee for the time they have granted me for my presentation. I shall be as brief as possible.

Senate Bill 155 is important to me for the following reasons:

1) My budget for the Motor Vehicle Office for 1985 is \$94,684.00. Based on 1984 revenues for this same time period my projected revenues for 1985 should be approximately \$96,637.00. At year end I should have a surplus of \$1,953.00. One can readily see that this surplus could not possibly maintain any salary or for that matter any other inflationary increases in 1986. It is quite conceivable that my Motor Vehicle Office would be operating in the red in 1986 should the Legislature not act positively on Senate Bill 155.

2/13/85
(ATT. 4)

2) Should Senate Bill 155, in its present form, become law; it would generate an additional \$21,000.00 in revenues. Barring any unforeseen mandates from the State this additional revenue should allow the Motor Vehicle Office to operate in the black for at least three or four years.

In addition, any surplus revenues would be transferable to the County General Fund. This would reimburse the General Fund for any indirect expenses incurred by the Motor Vehicle Office, such as rent, electricity, telephone expenses and etc.

In conclusion, because of the desperate need of these additional revenues; I, as representative of the Kansas County Treasurers Association, implore your support in the passage of Senate Bill 155.

Again thank you for your valuable time and considerations.

Shirley J. Tate
Leavenworth County Treasurer
Representative of the Kansas County Treasurers Association