

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by Sen. Don Montgomery at
Chairperson

9:00 a.m./~~p.m.~~ on March 7, 1991 in room 531-N of the Capitol.

All members were present except:

Senators Gaines and Steineger

Committee staff present:

Emalene Correll, Legislative Research
Mike Heim, Legislative Research
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Senator Phil Martin
Nancy Hempen, Douglas County Treasurer
Cheryl Wederski, Rawlins County Treasurer, Kansas County Treasurer's Assn.
Betty McBride, Cherokee County Treasurer
Kenneth Keegan, Nemaha County Commissioner
Gerry Ray, Johnson County Board of Commissioners
John Torbert, Kansas Association of Counties

SB 264 - Relating to the compensation of county treasurers; prohibiting certain acts.

Sen. Phil Martin began by stating that he would be reading the testimony of Anthony Pichler, Crawford County Commissioner, in support of the bill. (Attachment 1). Sen. Martin noted that he made the motion for the introduction of the the bill and supports it, having been a county treasurer.

The Chairman asked Sen. Martin the history of how it was decided how payment would be made and how it is figured. Sen. Martin said payment is based on registration and, therefore, varies in terms of the size of the county. He said the statute was changed last year. He read from the statute, 8-145, which deals with how the fees are computed and how much can be retained by the county treasurer. Sen. Lee had questions regarding how the county treasurer's salary is set and how the accumulated fees are dealt with.

Nancy Hempen, Douglas County Treasurer, gave testimony for Alan Alderson of the County Treasurer's Association. (Attachment 2). She also had a pass out regarding the special auto fund for the committee's information with regard to the extra compensation received by county treasurers. (Attachment 3).

With regard to Ms. Hempen's statement that the present law is being abused, the Chairman asked how another law would make it better. Ms. Hempen said the bill is an attempt to clear up the interpretation of the present law.

Sen. Lee questioned Ms. Hempen as to why treasurers need different compensation from other county officials. Ms. Hempen concluded that the treasurers are in a frustrating situation which has not been able to be resolved at the local level, therefore, this bill was introduced in an attempt to resolve it.

Cheryl Wederski, Kansas County Treasurer's Association, testified in support of the bill. (Attachment 4).

Betty McBride, Cherokee County Treasurer, followed with further support. (Attachment 5).

In response to a question from Sen. Petty as to the percentage of time she spends on motor vehicle registration, Ms. McBride said that, in her case, she spends 99.9% of her time, including after hours, with motor vehicle registration.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT,

room 531-N, Statehouse, at 9:00 a.m./~~PM~~ on March 7, 1991.

Kenneth Keegan, Nemaha County Commissioner, testified in opposition to SB 264. With regard to financial responsibility and liability which was referred to in testimony in support of the bill, Mr. Keegan said his county has errors and omissions insurance on the treasurer in addition to being bonded. As far as the disparity in salary, he feels this should not be determined by comparing counties but rather by the use of a uniform scale of pay within the county. In regard to the election fund, Mr. Keegan said it was created when the treasurers started getting extra money for handling motor vehicle registration which resulted in giving the election fund to the clerk to equalize with the treasurer. Mr. Keegan feels that if the legislators mandate the county treasurer's salary, there possibly would be no end in regulating other county salaries. He concluded that he feels that the county commissioners know what is best for their county.

Gerry Ray, Johnson County Board of Commissioners, gave further testimony in opposition to the bill. (Attachment 6).

Final testimony was given by John Torbert, Kansas Association of Counties, in opposition and with the suggestion that an interim study be requested. (Attachment 7).

The minutes of March 6 were approved with two typographical corrections.

The meeting was adjourned at 10:00 a.m.

Date: 3-7-91

GUEST REGISTER

SENATE

LOCAL GOVERNMENT

NAME	ORGANIZATION	ADDRESS
Mary Padonice	Co. Treasurer	Windsorville
COREN L. HIBBS	Co. Treasurer	SUMNER
John Kovari	Co. Treasurer	Crawford Co
Ingi Miller	Student	Marion
Mary Padonice	Student	Marion
Julie Herbison	Student	Marion
Shannon Connell	Student	Marion
Barbara Ruth	Dept of Adm.	Topeka
John Torbert	KAC	Topeka
Bill Young	Ant Co Comm.	Wageningen
Howard Thompson	Ant Co. Comm.	Kincaid
Dudley R. Fawcett	and. Co. Commissioner	GARNETT
Kenneth Keegan	Nebraska Co Commissioner	Baileyville KS
Kristi Keegan	student	Baileyville KS
Trevor Keegan	student	Baileyville KS
Gerry Ray	Johnson Co Commissioner	Platte
Gary Watson	Gregg Co. Treasurer	Gregg County
MIKE BILLINGER	ELLIS CO. TREASURER	ELLIS COUNTY
Carolyn Arganbright	Marshall Co. Treasurer	Marionville
Deborah Hunter	Joss County Treasurer	Joss Co - Dodge City
Cheryl Maduski	Douglas Co Treasurer	Atwood KS
Rita Cline	Schumler Co Treas.	Topeka, Ks.

OFFICE OF
BOARD OF COUNTY COMMISSIONERS

CRAWFORD COUNTY, KANSAS

GIRARD, KANSAS 66743

March 7, 1991

EARL McCOLM
First District

PATRICK BARONE
Second District

ANTHONY PICHLER
Third District

DAN BRUNETTI
County Clerk

STEVE HOGARD
Deputy

TO: The Senate Local Government Committee
FROM: Anthony Pichler, Crawford County Commissioner
RE: Senate Bill 264

Mr. Chairman, members of this committee. I am Anthony Pichler, Crawford County Commissioner. I want to extend my appreciation to this committee for allowing me the opportunity to express my support for Senate Bill 264.

The state has mandated that the County Treasurers serve as agents for the state for operation of the Motor Vehicle Department. The legislature has mandated that the Treasurer receive additional compensation for administrating this function.

As County Commissioner, I feel I should comply with what the legislators and state law mandates and not try to supercede it.

It is my understanding that the County Commissioners were polled concerning their position on Senate Bill 264, however the Crawford County Commissioners were not polled for their input.

My position is that the Treasurer's county salary should not be reduced simply because of their compensation for administrating a state mandated office.

I would ask your favorable consideration for Senate Bill 264.

*Senate L.G.
3-7-91
Attachment 1*

ALDERSON, ALDERSON, MONTGOMERY & NEWBERY

ATTORNEYS AT LAW

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P.O. BOX 237

TOPEKA, KANSAS 66604-3174

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JOHN E. JANDERA
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MEMORANDUM

TO : Members of the Senate Local Government Committee
FROM : Alan F. Alderson, Legislative Counsel,
Kansas County Treasurers Association
RE : Senate Bill No. 264
DATE : March 7, 1991

I am Alan F. Alderson, Legislative Counsel for the Kansas County Treasurers Association, appearing in support of Senate Bill No. 264, a bill which was requested for introduction by the County Treasurers Association.

This legislation has become necessary, we believe, due to actions which have been taken in as many as 25 counties to reduce or restrict the amount of salary paid to County Treasurers, because of compensation the County Treasurer is entitled to receive under K.S.A. 8-145. This legislature has ratified this extra compensation as recently as the 1990 Legislative Session and, at all times, this compensation was specifically to be "in addition" to all other compensation allowed by law. The difficulty is the determination of what the County Treasurer is entitled to receive by law in light of the ultimate budget authority maintained by the Board of County Commissioners in each county. This legislation, in no way, attempts to restrict the budget authority of the County Commissions, but we know of no other way to define what the compensation payable under K.S.A. 8-145 is to be "in addition" to without resort to some objective standard.

In a number of counties, the County Commission has systematically withheld additional compensation increases from the Treasurers based upon amounts the Treasurer receives from the special fund; in other counties, resolutions have been passed to freeze the Treasurer's salary at current levels; and, in other counties, resolutions have been passed which simply reduce the Treasurer's salary by amounts the Treasurer is to receive from the Special Auto Fund.

We also perceive a great deal of misunderstanding by various county officials and members of the Legislature with respect to the history and purpose of the special auto fund and I have done some research to shed some light on this matter. I believe a historical perspective will promote a greater understanding of what was intended by the Legislature when the provision for extra compensation was passed and was provided for "in addition to any other compensation provided by any other law."

Until 1976, the salaries of all county elected officials was set by statute. During the 1975 interim, a very comprehensive study was done by the local Government Committee which resulted in Senate Bill 166 and the repeal of all of these statutes under the theory that County Commissions could do all of

*Senate L.G., 3-7-91
Attachment 2*

what had been set by statute under their home rule powers anyway. Prior to that time, however, Articles 2, 6, 7 and 8 of Chapter 28 of the Kansas Statutes Annotated was replete with salary provisions for the various elected officials in a number of population categories. For example, prior to 1976, in counties having a population of between 100,00 and 185,000, the Register of Deeds salary was fixed at \$10,539.00; the County Clerk's salary was set at \$12,296.00; and the County Treasurer's salary was fixed at \$12,062.00. In Sedgwick County, the Register of Deeds was to be paid \$10,568.00; the County Clerk was to be paid \$11,742.00; and the County Treasurer was to be paid \$14,091.00. Neither the Clerk nor the Treasurer were permitted to receive compensation from any other source. In counties between 180,000 and 250,000, the County Treasurer, County Clerk and Register of Deeds were all to receive salaries in the amount of \$10,685.00. In the smaller counties, the County Treasurer's and County Clerk's salaries were bracketed in numerous categories and were fixed at the same amounts in each of the categories. In every instance, the Clerk's and Treasurer's salaries were equal and were also greater than the salary for the Register of Deeds. In counties designated as urban areas (Johnson County), the Register of Deeds salary was fixed at \$10,445.00; the County Clerk's salary was fixed at \$11,954.00; and the County Treasurer's salary was fixed at \$11,025.00. No restriction was placed upon receipt of compensation from other sources.

The foregoing information provides you with some insight on the status quo that existed at the time the Legislature acceded jurisdiction in these matters to the county commissions. However, it is also important for you to understand the history of the so-called "special auto fund" created in K.S.A. 8-145. Comments we have heard indicate that many people believe this special fund is a relatively-recent creation. Nothing could be further from the truth. What is now known as the special auto fund was created in 1937. In L. 1937, Chapter 172, Section 8, Section 8-145 of the general statutes of 1935 was amended to provide for ". . . a special fund, which fund is hereby appropriated for the use of the county treasurer in paying for necessary help and expenses incidental to the administration of his duties in accordance with the provisions of this law . . .".

In 1947 (L. 1947, Ch. 97, Section 1), this special fund was further appropriated to provide extra compensation directly to the County Treasurer. At that time, the language ". . . and extra compensation to the County Treasurer for the services performed by him in administering the provisions of this act, which compensation shall be in addition to any other compensation provided by any other law . . ." was added to 8-145.

As you can see, the Special Auto Fund is 54 years old and the provision for additional compensation is 44 years old. These are not, by any means, recent inventions of the Legislature.

We believe the Legislature should take a hard look at what situation existed at the time the Boards of County Commissioners of the several counties took over full responsibility for budget and salary authority. The County Commissions should not be permitted to undermine the intent of the Legislature with respect to the payment of the additional compensation just because full budget and salary authority was granted to that governing body.

That governing body should not be permitted to abuse their discretion and the intent of the Legislature by reducing salaries to take into account these amounts that were clearly supposed to be paid "in addition" to all other compensation allowed by law. That latter phrase only has meaning when viewed in the context of the situation that existed in 1975 and 1976.

There are several County Treasurers appearing here today who will provide you with better information than I can about the situation that exists today, the amounts of extra compensation being paid and the purpose of the special auto fund with respect to this extra compensation.

We would urge you to support Senate Bill 264 as a means of ensuring that the legislative intent adopted and ratified for forty-four years by this Legislature is carried out.

SPECIAL AUTO FUND

K.S.A. 8-145

The motor vehicle title and registration operation, which is a state mandated function under the jurisdiction of the Kansas Department of Revenue is supervised and administered by all County Treasurer's throughout the state of Kansas. As managers of the motor vehicle department and agents for the state at the local level, County Treasurers must have knowledge of Kansas statutes and must implement such statutes and departmental regulations in the Treasurer's office. We are responsible for all fees collected, making daily reports to the state, remitting fees daily and monthly sales tax reports to the state.

Kansas statute establishes all fees, services and compensation for the administration of registering and titling vehicles and collection of sales tax to be the responsibility of the County Treasurer. These monies are deposited by counties into a fund known as the "Special Auto Fund" and become our operating budgets of the motor vehicle departments as provided by law. The balance of the registration fees collected are remitted to the state on a daily basis and credited to the state highway fund.

Example:	Customer pays \$27.25 for registration
	3.50 for title application
	.50 reflector fee
	<hr/>
	\$31.25 Total paid by customer

<u>Credited to the Special Auto Fund:</u>	<u>Remitted to State:</u>
.75 per registration sold (KSA 8-145b)	\$26.25 which is the
2.25 service fee (KSA 8-145d)	balance of what the
2.00 title application (KSA 8-135b-4)	customer paid, and
<hr/>	is credited to the
5.00 Total retained by Treasurer and	highway fund.
credited to Special Auto Fund	

If a county sells 50,000 registrations and 10,000 titles in one calendar year, the following fees would be retained at the county level and credited to the "Special Auto Fund" and used as the operating budget for the motor vehicle operation:

50,000 x .75 =	37,500.00
50,000 x 2.25 =	112,500.00
10,000 x 2.00 =	20,000.00
	<hr/>

\$170,000.00 Total amount credited to Special Auto Fund for one year.

Other miscellaneous revenues credited to the Special Auto Fund include:

.50 mailing fee for registrations
.50 sales tax collection fee
1.50 lienholder registration copy

Of the money credited to the Special Auto fund, the following expenses are authorized per KSA 8-145:

- Salaries of personnel necessary to administer the vehicle registration procedures provided by law.
- To meet expenses incidental to the administration of these duties delegated to us such as office supplies, furniture and additional postage for mailing license plates.

Senate L.G.
3-7-91
Attachment

3. To allow County Treasurers and vehicle personnel to attend educational and Department of Revenue meetings.
4. To provide County Treasurers with compensation for administering the motor vehicle operation as prescribed under KSA 8-145b, 1990 Sessions Law, Chapter 34.

As prescribed by KSA 8-145b, any balance left in the Special Auto fund at the close of any calendar year shall be credited to the general fund of the county prior to June 1st of the following year.

March 7, 1991

To: Senate Local Government Committee

From: Cheryl Wederski, Rawlins County Treasurer, President of
Kansas County Treasurers Association

Dear Mr. Chairman & Members of the Senate Local Government
Committee:

Senate bill 264 is requested on behalf of the Kansas County Treasurers Association to address the inequities that exist as a result of the varied interpretations regarding the personal compensation mandated by KSA 8-145. Many County Commissioners have taken the position that the County Treasurers are not entitled to the additional compensation because no other official in the County receives a similar benefit. That's true, but likewise no other official is an agent for the state to the same degree as the Treasurers. To better illustrate this one must assess the following: For the Treasurers compensation for Wallace County, with a population of 1818, with 2900 registrations, for a total of \$104,446.78 and \$24,853.46 sales tax collections she received \$1,740, in motor vehicle compensation. We believe it should be apparent that when you compare administrative responsibility of the collection of a total of \$129,300.24 fees that are forwarded to the Department of Revenue. \$1740 or 1.35% yearly compensation is somewhat of a token amount. Likewise in Sedgewick County with \$12,603,141.86 in registrations and \$2,899,736.11 Sales tax collections with an annual compensation of \$9,800, personal compensation comparative is not a large sum. The Kansas County Treasurers Association maintains the position that few if any individuals within the public or private sectors would expose themselves to the possible financial liability for the compensation set forth under 8-145.

KSA 8-145 clearly states that for the administration of duties in accordance with the provisions of law, extra compensation shall be paid to the county treasurer for the services performed in administering the provisions of this act, this compensation shall be in addition to all compensation provided by any other law.

It is our associations interpretation that the legislative intent was to specifically set this compensation above and beyond the county function based salary. It appears that in some instances counties have chosen to disregard this intent and adjust county function salary downward to offset any increase or in many cases limit the benefit derived from the increase in KSA 8-145 as amended by the 1989 legislature that set treasurers compensation rates.

In reference to this we would cite out of 100 surveys returned out of 105 county treasurers surveyed 23 had their county function salary reduced in 1990. Additionally when surveyed 30 treasurers

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3-7-91
Attachment 4

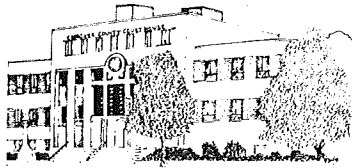
anticipated problems in receiving this compensation in 1991. This proposed legislation is aimed at guaranteeing that treasurers receive the compensation as mandated by 8-145. With the number of problems and potential problems that exist we feel that the legal action through the court system is not a proper vehicle to address this problem.

Over the years a close relationship has been developed between the county treasurers, Kansas Department of revenue, and the legislature. In the administration of the motor vehicle laws, in many instances the county treasurers have served as a buffer between the vehicled owners, Department of Revenue, the legislature. In return for these services the Legislature has determined that the treasurer is due compensation under 8-145. We are here today to urge you to adopt legislation guaranteeing this compensation.

We feel that after considerable research the Kansas County Treasurers Association has come up with SB 264 to address how the treasurers compensation is to be paid to the County Treasurers. While we realize that the legislature does not normally address the micro-management or salary setting on the county level, we would favor this legislation in that it would standardize the methods used in determining what the full benefit of the treasurers compensation mandated by legislature is.

The statutory duty of the county treasurer requires that the County Treasurer acts as an agent for the Division of Motor Vehicles, therefore, we request that the legislature further clarify at this time that the compendation due the treasurer under KSA 8-145 be paid without any offsetting reduction in regard to the county function salary.

In conclusion, we would like to restate our commitment for providing a continuing high level of service to the public while operating an effecient and cost effective Motor Vehicle Department. At the same time it is our objective to maintain our harmonious relationship with the Department of Revenue & legislature. We feel it is imperative that SB-264 be passed out of committee and onto the full senate affirmatively at this time.



CHEROKEE COUNTY COURTHOUSE

Betty McBride, Treasurer

Cherokee County, Kansas
Columbus, Kansas 66725
316-429-3848

TO: LOCAL GOVERNMENT COMMITTEE
FROM: BETTY MCBRIDE, CHEROKEE COUNTY TREASURER
RE: SENATE BILL 264
DATE: MARCH 7, 1991

Chairman Montgomery, members of the committee, I am Betty McBride Cherokee County Treasurer. I am appearing today on behalf of the Kansas County Treasurer's Association and wish to express our appreciation to this committee for the opportunity to seek and encourage your support of Senate Bill 264.

Senate Bill 264 addresses the misconception of existing law some County Treasurer's are encountering regarding the compensation County Treasurer's receive serving as agents for the State of Kansas in administering the functions of the motor vehicle office. This function is in addition and separate from other county duties performed by County Treasurer's such as tax collections, investment officer, distribution officer and banker for all other county offices. Recognizing many years ago that this was a function preformed solely for the state, the legislature passed legislation to compensate Treasurer's for these duties and stated in such legislation that this was to be paid to the treasurer in addition to any other compensation provided by any other law. I have attached a copy of KSA 8-145 for your review.

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Attachment 5

Vehicle compensation received by the County Treasurer is paid from a special auto fund established by statute, where a portion of the vehicle registration fee is retained by the Treasurer for paying salaries, purchasing equipment and any other incidental expenses which are necessary for the efficient operation of the Treasurer's motor vehicle office. There is no fiscal note for counties to absorb since county funds are not involved. Any excess funds left in this account at the end of each calendar year is transferred to the County General fund and used to reduce levies on county budgets the following year. For the year ending December 31, 1990, I transferred to the County General fund after all expenses were paid \$26,183.06. This amount will be used to produce tax relief for Cherokee County taxpayers.

The amount of compensation County Treasurer's receive is also established by statute and is based on the total vehicle registrations sold each year in their respective counties. The maximum compensation any treasurer may receive is \$9,800.00. Three counties qualify for the maximum compensation. They are Johnson, Wyandotte and Sedgwick county. In 1990 the Cherokee County vehicle department collected \$725,469.73 in registration fees and \$586,720.89 in sales tax collections. The total 1990 vehicle compensation I should have received would have been \$5,400.00. This amount does not seem excessive for administrating a account in excess of \$1,300,000.00.

A number of County Treasurer's have had to deal with conflict from their governing boards, who in an attempt to circumvent the intent of the legislature have under home rule authority, passed resolutions or lowered county salaries in an effort to prevent treasurers from receiving this compensation. Such was the case in Cherokee County, where a resolution was passed by the governing board freezing my salary from all sources at the 1990 level. On January 28, 1991 two board members felt the action taken previously by the board was not appropriate and on a 2 to 1 vote recinded the resolution.

It is the County Commissioner's position that their home rule powers will be threatened and eroded should Senate Bill 264 become law. It was never the intent of the County Treasurers to circumvent home rule. Senate Bill 264 was introduced due to the abuse of home rule powers by County Commissioners who were entrusted with this power by the legislature. The Treasurer's compensation was passed by the legislature in 1947 and until 1976 when County Commissioners were given home rule powers the Treasurers experienced no difficulties

in receiving this compensation. It would appear with the expanded home rule powers that commissioners have the misconception that they may circumvent the state statute that provides for the County Treasurer motor vehicle compensation.

We understand that the Kansas Association of Counties will appear today in opposition of Senate Bill 264. We feel it is very unfortunate and unethical that they would take this position since we are an affiliate member of this association.

It is the Kansas County Treasurer's Association desire in proposing Senate Bill 264 for your consideration, that situations which have occurred in the past will no longer exist, and that passage of this bill would give clear direction to all concerned as to legislative intent regarding this matter.

Passage of Senate Bill 264 would promote improved conditions and relationships between governing boards and County Treasurer's throughout the state.

We ask and would appreciate your favorable consideration for passage of Senate Bill 264.

Respectfully submitted,



Betty McBride
Cherokee County Treasurer

I would be happy to respond to questions at this time.

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sum of \$45 per hundred registrations for the next 5,000 registrations; and the sum of \$2 per hundred registrations for all registrations thereafter. In no event, however, shall any county treasurer be entitled to receive more than \$9,800 additional annual compensation.

If more than one person shall hold the office of county treasurer during any one calendar year, such compensation shall be prorated among such persons in proportion to the number of weeks served. The total amount of compensation paid the treasurer together with the amounts expended in paying for other necessary help and expenses incidental to the administration of the duties of the county treasurer in accordance with the provisions of this act, shall not exceed the amount deposited in such special fund. Any balance remaining in such fund at the close of any calendar year shall be withdrawn and credited to the general fund of the county prior to June 1 of the following calendar year.

(c) The county treasurer shall remit the remainder of all such fees collected, together with the original copy of all applications, to the secretary of revenue to be deposited with the state treasurer and credited to the state highway fund.

History: L. 1929, ch. 81, § 23; L. 1933, ch. 73, § 2; L. 1937, ch. 72, § 8; L. 1938, ch. 12, § 2; L. 1947, ch. 97, § 1; L. 1949, ch. 102, § 1; L. 1953, ch. 41, § 1; L. 1961, ch. 50, § 1; L. 1968, ch. 335, § 1; L. 1969, ch. 49, § 1; L. 1972, ch. 342, § 34; L. 1974, ch. 35, § 8; L. 1975, ch. 34, § 1; L. 1978, ch. 33, § 1; L. 1980, ch. 31, § 6; L. 1985, ch. 45, § 1; L. 1990, ch. 34, § 4; July 1.

8-145d. Service fee in addition to registration fee; deposit, use and appropriation thereof. In addition to the annual vehicle registration fees prescribed by K.S.A. 8-143, 8-143b, 8-143c, 8-143g, 8-143h, 8-143i, 8-167, 8-172 and 8-195 and amendments to any of such sections any applicant for vehicle registration or renewal thereof for registration, shall pay a service fee in the amount of \$2.25 to the county treasurer at the time of making such application for registration or renewal thereof. The county treasurer shall deposit all amounts received under this section in the special fund created pursuant to K.S.A. 8-145, and amendments thereto, and such amounts shall be used by the county treasurer for all purposes for which such fund has been appropriated by law, and such additional amounts are hereby ap-

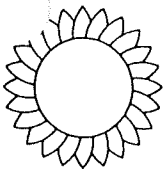
propriated as other amounts deposited in such fund.

History: L. 1982, ch. 34, § 1; L. 1985, ch. 45, § 2; L. 1989, ch. 37, § 2; Jan. 1, 1990.

8-145. Collection of fees; disposition of moneys; compensation of county treasurers.

(a) All registration and certificates of title fees shall be paid to the county treasurer of the county in which the applicant for registration resides or has an office or principal place of business within this state, and the county treasurer shall issue a receipt in triplicate, on blanks furnished by the division of vehicles, one copy of which shall be filed in the county treasurer's office, one copy shall be delivered to the applicant and the original copy shall be forwarded to the director of vehicles.

(b) The county treasurer shall deposit \$.75 of each license application, \$.75 out of each application for transfer of license plate and \$2 out of each application for a certificate of title, collected by such treasurer under this act, in a special fund, which fund is hereby appropriated for the use of the county treasurer in paying for necessary help and expenses incidental to the administration of duties in accordance with the provisions of this law and extra compensation to the county treasurer for the services performed in administering the provisions of this act, which compensation shall be in addition to any other compensation provided by any other law, except that the county treasurer shall receive as additional compensation for administering the motor vehicle title and registration laws and fees, a sum computed as follows: The county treasurer, during the month of December, shall determine the amount to be retained for extra compensation not to exceed the following amounts each year for calendar year 1990 or any calendar year thereafter: The sum of \$60 per hundred registrations for the first 5,000 registrations; the



MARCH 7, 1991

SENATE LOCAL GOVERNMENT COMMITTEE

HEARING ON SENATE BILL 264

TESTIMONY OF GERRY RAY, INTERGOVERNMENTAL OFFICER
JOHNSON COUNTY BOARD OF COMMISSIONERS

Mr. Chairman, members of the committee, the Johnson County Board of Commissioners opposes Senate Bill 264.

The first part of the bill is objectionable because it establishes a statutory method for determining the salary of county treasurers. This is in direct conflict with statutes that gives the authority for setting salaries to the county commissioners. The commission has final responsibility for the budget of the county and must have the authority to carry out that responsibility.

Although existing law is somewhat unclear on the authority over this special fund, certain budgetary controls and procedures have been put in place in Johnson County. This bill prohibits the commission from exercising any authority over the special vehicle fund. In other words large amounts of public funds will be completely outside of the county system without a method for accountability.

During the past year there has been a great deal of discussion on the role of county elected officials and the necessity for checks and balances is always referenced. What we have here is a bill that would remove those checks and balances in the treasurers office. We believe this is poor public policy and urge the Committee to adversely report Senate Bill 264.

*Senate L.G.
3-7-91
Attachment 6*



"Service to County Government"

212 S.W. 7th Street
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Cherokee County Treasurer
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Roy Patton
Harvey County Weed Director
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Gary Post
Seward County Appraiser
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Nancy Prawl
Brown County Register of Deeds
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Vernon Wendelken
Clay County Commissioner
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NACo Representative
Keith Devenney
Geary County Commissioner
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Executive Director
John T. Torbert

March 7, 1991

TESTIMONY

To: Senate Local Government Committee

**From: John T. Torbert
Executive Director**

Subject: SB 264- Treasurer's Compensation

The Kansas Association of Counties is in opposition to SB 264. Our position on this legislation was determined two days ago after a telephone conference call of the KAC executive committee.

The bill first of all inserts an artificial factor (the average gross salary paid from county funds to the other full time county wide elected officers) into the determination of the treasurer's compensation. Kansas statutes clearly vest salary authority with county commissioners and we see this as an intrusion into their authority. As the budget authority of the county, the commissioners should have that authority.

Lines 20-26 of the bill appear to preclude the county commissioners from exercising any regulatory or budgetary authority over the special vehicle fund. It is unclear exactly how much authority, if any, the commissioners have over this fund but I do know that some commissions have successfully exercised some oversight authority and to my knowledge, their actions have not been overturned by an attorney general's opinion or court case.

Last year's legislation which significantly increased the amount of money in this fund has created some friction between the treasurers who feel that this fund should be solely under their control and the commissioners who feel that as the governing body of the county, they have every right to exercise oversight authority. Because of the controversy that has been created and because of the fact that there are at least two pieces of legislation that have been offered to "solve" this problem (the other bill is SB 187 which

*Senate L.G.
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would put the monies in the special vehicle fund under direct control of the commissioners) the Kansas Association of Counties would urge this committee to request an interim study on this issue. This issue is not going to be dealt with simply and all the parties need more time to sit down and sort these various issues out. That is our reason for requesting the interim study.

tsjtrefd