

MINUTES OF THE SENATE TRANSPORTATION & TOURISM COMMITTEE.

The meeting was called to order by Chairperson Senator Ben Vidricksen at 9:05 a.m. on March 11, 1999 in Room 254-E of the Capitol.

All members were present except:

Committee staff present: Hank Avila, Legislative Research Department  
Bruce Kinzie, Revisor of Statutes  
Marian F. Holeman, Committee Secretary

Conferees appearing before the committee: Rep. Bob Grant  
Judy Moler, Ks. Assn. Of Counties  
Lonnie Addis, Labette Co.

Others attending: See attached list

**HB 2141: Designating Mike Hayden and Herman Dillon Bridges**

Representative Bob Grant explained the background on this bill and asked the committees to recommend it favorable for passage. Chairman Vidricksen also recounted how Governor Hayden had worked for the just completed comprehensive highway program. There are not really two Herman Dillon bridges. There is a separate bridge for each traffic direction. Since Liberal has already had a grand opening for the Dillon Bridges it would be very nice to be legal. Senator Salmans asked about adding any local city advertising on highway bridges or city limits highway signs, when local communities would pay any additional signage costs Requested staff check on whether or not this is prohibited by federal law.

**HB 2142: Vehicle registration fees - increasing**

Larry Tucker, President, Kansas County Treasurers' Association and Reno County Treasurer spoke in favor of **HB 2142** (Attachment 1). He also advised that a number of the county commissioners association and treasurers were present and could be called upon to answer questions. He asked members pay particular attention to the attached FACT sheet (Attachment 2). This sheet summarizes the current concerns at the county level. This is a tremendous burden for the major portion of the counties to transact the state's business. The addition of driver license processing without reimbursement from the state has added to the burden of the counties. Counties are up against the tax lid and have no funds for additional staff to met the increased work load. Lonie R. Addis/Vice-President, Kansas County Commissioners Association advised their association unanimously endorsed the Treasurers' initiative as set forth in **HB 2142** (Attachment 3). Judy Moler, Legislative Services Director, Kansas Association of Counties, stated they voted at their annual meeting to include this legislation in this year's platform (Attachment 4). Dana Fenton, Intergovernmental Relations Coordinator for Johnson County was unable to appear at the meeting but submitted written testimony which was distributed to members (Attachment 5). This testimony recommended passage of the bill with the need being well spelled out.

Members asked questions regarding how various counties dealt with the increased demands, as well as what happens to the funds needed to meet indirect costs. According to all of the treasurers/commissioners present it is a real problem throughout the state. They unanimously agreed that county treasurers are quite professional in their handling of this so called "special fund." Discussed the benefits of being able to get driver's license in local areas, but it was an unfunded mandate. County officers reported their citizens really appreciate the convenience of being able to get driver's license and don't mind paying a fee for this service. Mr. Anderson, Department of Motor Vehicles, advised they would be more than willing to look at any changes the legislature might wish to make regarding issuance of driver's license, computerization of exams, length of period for which license is valid, etc. Mr. Tucker stated they were comfortable with the amounts proposed in this bill and feel it would take care of the fiscal needs for the next 10 year cycle. Senator Nancey Harrington moved to recommend **HB-2142** favorable for passage. Senator Jordan seconded the motion. Motion carried

Senator Mark Gilstrap moved to recommend **HB-2141** favorable for passage and further recommended

CONTINUATION SHEET

MINUTES OF THE SENATE TRANSPORTATION & TOURISM COMMITTEE, Room 254-E  
Statehouse, at 9:05 a.m. on March 11, 1999.

that it be placed on the consent calendar. Senator Goodwin and Senator Huelskamp seconded the motion. Motion carried.

Chairman Vidricksen asked if there would be any support in the committee for returning any of the "aggressive driving" bills for consideration. There have been several recent newspaper articles - all unfavorable to the State of Kansas - regarding aggressive driving. Also numerous telephone calls have been received wanting to know what we are going to do about this matter. Again talked about "aggressive" driving, road rage, driving in the left lane, etc. There are laws presently on the books which would allow law enforcement to charge drivers with infractions, but the word "aggressive" and penalties are not presently in the statutes. The subject of road rage in cities vs. highways was considered. Members appeared more interested in doing something about "continuous" driving in the left lane than in trying to deal with the other aggressive driving issues. Staff will look into what can be done to reconsider the issue at this point in the session.

**Minutes - approval of**

Senator Jordan moved to approved the minutes of March 3 and 4, 1999. Senator Tyson seconded the motion. Motion carried.

The meeting adjourned at 10:10 a.m.

The next meeting is scheduled for March 16, 1999.

**SENATE TRANSPORTATION & TOURISM COMMITTEE  
GUEST LIST**

**DATE: March 11, 1999**

NAME	REPRESENTING
Rep Bob Gunt	
David Miles	Associated Press
Judy Moler	Ks. Assn of Counties
Don Kennedy	Sq Corp
Pick Scheibe	KDOR Vehicles
Allen Anderson	KDOR Vehicle
Shelia Walker	Ks. Dept. of Revenue
Lonie R. ADDIS	Ks Co. Commissioners Assn
W. R. BUTLER	Miami County Commissioner
Tom Whitaker	Ks Motor Carriers Assn.
Marilyn K Brown	Jackson County
MIKE BILLINGER	ELLIS COUNTY
Peta Glus	Shawnee County
Cynthia Augubright	Marshall County
Ma Hartig	Lyon County
Nancy Weeks	Waskell County Treasurer
Bill O'Brien	Johnson County Treasurer
Jo Ann Raaf	Coffey County Treasurer
Seauaine Bateman	Marion County Treasurer

SENATE TRANSPORTATION & TOURISM COMMITTEE  
GUEST LIST

DATE: March 11, 1999

NAME	REPRESENTING
Eddie Davey	Linn County Treasurer
Eileen King	Riley County Treasurer
Denny Johnson	Reno County Treasurer
Laura Wood	<del>Sen. Salmons</del> Sen. Salmons
Michelle Peterson	Peterson Public Affairs Group

TO : Senate Transportation & Tourism Committee

FROM : Larry Tucker, President, Kansas County Treasurers' Association

DATE : March 11, 1999

RE : HB 2142

Thank you Mr. Chairman and members of the committee. My name is Larry Tucker. I am currently the Reno County Treasurer and the president of the Kansas County Treasurers' Association. I come before you today to speak in favor of House Bill 2142, which will raise the fees charged for the processing and handling of the 2.3 million vehicle registrations across Kansas. This legislation has been drafted and submitted by our association as a result of a study which was done last year which shows how much it is costing local county governments to provide, what amounts to a state function, a fact which has created an additional burden on us at the local level to fund and provide in an efficient and timely manner.

Let me first turn your attention to the attached FACT sheet which summarizes the history and concerns, we at the county level are having to address.

1. Our survey of 100 counties revealed that the present average loss across the state is \$ 1.15 per transaction. The total revenue received in 1997 for these counties to process vehicle transactions was approximately \$ 11.5 million. It cost them over \$ 14 million to actually handle 2.3 million registrations or an overall loss of \$ 2.5 million. This computes out to an average loss of \$ 1.15 per transaction.

2. The vehicle fee to cover these costs is currently 75 cents for each tag sold, plus a service fee of \$ 2.25 per transaction. The history of the fees are shown on the FACT sheet enclosed. The last fee increase was in 1990, almost ten years ago. At that the time the service fee was raised from \$ 1.00 to \$ 2.25. The 75 cent processing fee has not been raised since 1978.
3. During recent years, counties have been asked to handle another state function, the issuance of driver's licenses. Currently, 62 counties across Kansas are processing driver's license applications for the state and are receiving no fee for providing this service.
4. The state does allow counties to charge 50 cents for the mailing of registration decals and tags. However, this fee has been the same for many years and as a result the counties have again been asked to make up the deficit when mailing tags. Postage to mail a decal costs about 33 cents, however that costs goes up to over \$ 1.50, when tags are mailed to owners.
5. Many counties, including my own are up against the state imposed tax lid to fund their budgets. Whenever, there is not enough revenue to support the total costs to process vehicle transactions, the county must subsidize the state of Kansas motor vehicle offices. For those who can, this means increases in local taxes. When counties, such as mine are up against the tax lid, they cannot fund the treasurer's budget to make up these costs. Because county commissions set personnel policies for other county elected officials such as myself, last year the my commission refused to hire a tag clerk position, which had a direct impact on the timelines of service for vehicle owners. Last November, the lines at the my courthouse went out the front door, because I did not have the necessary staff to handle all the end of the month customers. This was a reflection on me, because I am the official that must provide the service.

What we are talking about today, is the necessary funding needed to operate the motor vehicle offices across the state of Kansas. This bill would increase the service fee \$ 1.25, from \$ 2.25 to \$ 3.50 during the calendar years 2000 and 2001. This increase would make up for the current average loss across Kansas. In addition, this bill would then increase the service fee another 50 cents in calendar year 2002 and 2003 to \$ 4.00 and another 50 cent increase in calendar years 2004 and thereafter to \$ 4.50. Instead of our association and counties having to come back to you again in three or four years for another increase, this legislation would allow for future increases to cover the operating costs from inflation associated with the handling of vehicle transactions.

One of the things we county officials notice the most, is the appreciation of vehicle owners having the ability to have someone at the local level to service them and be available to answer the many questions related to the issuance of titles, tags and special plates and registrations. It is especially appreciated by the handicapped and elderly patrons, who rely on someone they know locally to take care of their special needs. The state touches the lives of every Kansan when it can reach out through the courthouse and provide a necessary service. However, for local governments to continue this, it has become necessary for the state to provide them with the opportunity to properly fund this service.

It has been almost ten years, since the state raised the fees to help local counties fund the costs to process vehicle transactions across Kansas. We are not asking you to give county governments a windfall. We are simply asking you to eliminate the current average loss to handle these transactions and to allow counties the ability to continue with the kind of service that is important to the vehicle owners of Kansas. Remember, this is a state function being provided by county governments.

I would be happy to answer any questions you might have. Thank you.

Yours truly,

A handwritten signature in black ink, appearing to read "Larry Tucker". The signature is fluid and cursive, with the first name "Larry" written in a larger, more prominent script than the last name "Tucker".

Larry Tucker, President  
Kansas County Treasurer's Association  
206 West 1st Avenue  
Hutchinson, Kansas 67501  
316-694-2938



# **FACTS SUPPORTING H. B. 2142 TO INCREASE SERVICE FEE TO FUND COUNTY MOTOR VEHICLE DEPARTMENTS OF THE STATE OF KANSAS**

- Present average loss across the state per transaction **\$1.15.**
- 1978 - Legislation passed increasing the amount retained by treasurers for operational expenses for the Motor Vehicle Department from **\$.50 to \$.75** for each tag sold. Has not been increased since then.
- 1982 – A service fee was passed by the legislature to start at **\$.75** to help pay the costs of operating the Motor Vehicle Department.
- 1985 – Legislation was passed increasing the service fee from **\$.75 to \$1.00.**
- 1990 – Legislation was passed increasing the service fee from **\$1.00 to \$2.25.** Has not been increased since then.
- **62 counties** are processing driver's license for the State of Kansas and receiving no fee from the state for providing this Service.
- Postage to mail tags and renewals has been at **\$.50 for years.** Presently counties are required to make up the deficit when mailing tags.
- **MOST COUNTIES ARE SUBSIDIZING THE STATE OF KANSAS MOTOR VEHICLE OFFICES.**

HOUSE BILL No. 2142  
POSITION STATEMENT  
KANSAS COUNTY COMMISSIONERS ASSOCIATION

The Kansas County Treasurer's Association approached our association about the concerns of some counties not having sufficient motor vehicle funds to operate that phase of their offices. Furthermore, it was projected that in the coming years that more and more counties would likewise not have sufficient funds.

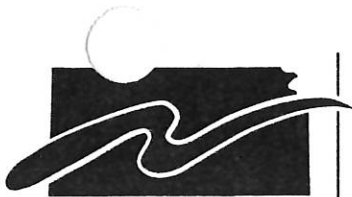
At our Executive Board Meeting of the Kansas County Commissioners Association on September 9, 1998, we unanimously endorsed the Treasurer's initiative to amend K.S.A. 1998 Supp. 8-145d concerning vehicle service registration fees.

Since the outset of registering and licensing vehicles, the Kansas legislature has seen fit to insure the process would be self-sufficient. I can't imagine any of the 105 counties in Kansas wanting to spend general fund monies to carry out the vehicle duties of the County Treasurer. It is essential that service fees be adequate enough to allow county treasurers to carry out their duties. No elected official wants increased property taxes if they can avoid it. To ask any county to increase its levy on property taxes to support the motor vehicle operations of the Treasurer's Office is not fair to our constituents.

By the passage of HB 2142, the county treasurers of this state can continue their excellent service to the state and local units of government, without the added burden of additional property taxes.



Lonie R. Addis/Vice-President  
Kansas County Commissioners Association



**KANSAS**  
ASSOCIATION OF  
**COUNTIES**

**TESTIMONY ON HB 2142**  
**Senate Transportation Committee**  
**By Judy A. Moler, Legislative Services Director**  
**March 11, 1999**

Senator Vidrickson and Members of the Committee, thank you for allowing me to speak in support of HB 2142. The Kansas Association of Counties voted at their annual meeting in November to include this legislation in their 1999 legislative platform.

The counties of Kansas are willing to serve as partners in the task of vehicle registration. However, this partnership needs to continue in a way that allows counties to recover expenses for the task and that does not require a subsidy from the local county budget.

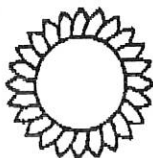
The Kansas Association of Counties respectfully requests passage of **HB 2142** which would allow counties to pay for the expenses incurred in carrying out this task at the local level.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services as well as a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to the KAC by calling (785) 233-2271.

700 SW Jackson  
Suite 805  
Topeka KS 66603  
785•233•2271  
Fax 785•233•4830  
email kac@ink.org

SENATE TRANSPORTATION & TOURISM COMMITTEE  
March 11, 1999  
Attachment #4

4-1



**Johnson County**  
**Kansas**

MARCH 10, 1999  
SENATE TRANSPORTATION & TOURISM COMMITTEE

TESTIMONY IN SUPPORT OF HB 2142

TESTIMONY OF DANA FENTON *Dana Fenton*  
INTERGOVERNMENTAL RELATIONS COORDINATOR FOR JOHNSON COUNTY

Mister Chairman, members of the Committee, thank you for the opportunity to provide written testimony. My name is Dana Fenton, Intergovernmental Relations Coordinator for the Johnson County Board of Commissioners.

This testimony is written in support of HB 2142 which would gradually raise the vehicle registration service fee charged by County Treasurers from the current level of \$2.25 to \$4.50 in the year 2004. The Board of Commissioners supports enactment of this bill into law.

In the current fiscal year, General County Tax Support is subsidizing the County's motor vehicle tag operation in the amount of \$613,459. The level of General County Tax Support has been steadily increasing the last several years. The reason for this increase has been the fact that the vehicle registration service fee has been held at the same level, \$2.25 since 1990. In order to reduce the level of General County Tax Support, the Board of Commissioners is requesting the legislature to allow the service fee to increase over the next five years to \$4.50.

This action is requested for several reasons. The first is that the County has committed to moving one of its two motor vehicle offices from a cramped and obsolete location to a modern facility. The higher cost of the new location whether it results from new debt service or higher rents will require more General County Tax Support. This action alone will more than double the level of General County Tax Support.

Enactment of this bill would also enable the County to redirect its General County Tax Support from support services that can be supported by user fees to direct services that generally require higher levels of tax support. Examples of these services include services for the mentally ill and developmentally disabled, full range of correctional programs for juveniles and adults, and transportation services for the elderly, special populations and the general public.

Still another reason to favorably consider this bill is that the Board of Commissioners has committed to reducing its reliance upon the Ad Valorem Tax. In 1989, this tax provided approximately 39% of all County revenues. Since 1989, the County has aggressively sought to raise alternative revenue sources. Today, the Ad Valorem Tax provides about 27% of all revenues. Although the relative importance of the Ad Valorem Tax may be at an optimal level, the County must still aggressively pursue alternative revenue sources to maintain that balance.

Mister Chairman and members of the Committee, thank you for accepting this written testimony. I would be glad to appear at a future Committee meeting to answer any questions raised by Committee members. Members of the Committee should feel free to call on me at (816) 806-5372 if they have any questions or comments.