



The Chairman told the Committee that they did have a fiscal note on **HB 2142**. It would increase revenue for counties by approximately \$3.6 million in calendar years 2000 and 2001; \$5.1 million in calendar years 2002 and 2003; and \$6.5 million in calendar year 2004 and beyond.

Judy Moler, Legislative Services Director for the Kansas Association of Counties passed out testimony in support of **HB 2142**. (Attach. 3).

Testimony supporting **HB 2142** was handed out by Dana Fenton, Intergovernmental Relations Coordinator for Johnson County. (Attach. 4).

Chairman Kerr told the Committee that what they should do now was renew the \$1 for VIPS/CAMA, **SB 209** and renew the title fee for the Highway Patrol of \$2.50. From this source they will make a \$1.2 million contribution to the State General Fund in FY 2000. He said he felt both VIPS/CAMA and the Highway Patrol Vehicle Fund should have a sunset in 2-3 years.

In regard to **HB 2142**, the vehicle bill, the Chairman suggested that they provide an inflationary adjustment which would take it beginning in calendar year 2000 and beyond to \$3.00. This is calculated at 3% a year, compounded for ten years on the current \$2.25 which took effect in 1990.

Senator Morris said the Subcommittee the Highway Patrol had suggested the sunset at 5 years instead of 3 years. The Highway Patrol is changing their car program to try to buy cars so they can start with the model year.

In answer to a question about the vehicle registration fee, Sheila Walker of the Department of Revenue said there is the annual \$25 registration fee which is on a basic automobile. It increases the heavier the vehicle becomes. Add to this a \$2.25 to \$3.00 service fee by the county, that brings it up to \$28.00. The VIPS/CAMA fee, **SB 209 and 210**, are on a totally different item. These apply to the title fee which you only pay when you get a new vehicle.

Senator Salisbury asked if when they spoke of a transportation funding program, were they talking about the registration fee. Ms. Walker said that was correct and it and the service fee were both annual. She said **HB 2142** would go to the county since it's intent is to cover the cost for the county for the business they do for the state.

Senator Morris said that if they increased the vehicle registration fee by \$3.00 that would make the total fee without the transportation bill \$28.00. Then if they take 15% of the \$25.00 and apply that, it would bring it to \$31.25 total.

Chairman Kerr said that this is probably the single area of greatest debate at the moment, as to what the title fee should increase.

It was moved by Senator Morris and seconded by Senator Jordan to amend **HB 2142** by increasing the registration fee from \$2.25 to \$3.00 starting in calendar year 2000. In **SB 209** place a 3-year sunset on VIPS/CAMA, a 5-year sunset in **SB 210** and amend them both into **HB 2142**. The motion carried on a voice vote.

It was moved by Senator Morris and seconded by Senator Gilstrap that **HB 2142** be adopted as amended. The motion carried on a roll-call vote.

It was moved by Senator Gilstrap and seconded by Senator Salmans to approve the minutes for March 8, 10, 11 and 12. The motion carried on a voice vote.

The meeting was adjourned at 11:40 a.m. The next meeting is scheduled for Thursday, March 18.

# SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 3/17/99

NAME	REPRESENTING
Ken Behr	Ks. Governmental Consulting
LINDA MCGILL	MGA
Marc Hamann	Div. of the Budget
Judy Mohr	Ks. Assoc of Counties
Eileen Key	Ks. County Treas. Assoc.
Alan Anderson	KAOR - Vehicles
Laura Jolty	KDOR - Vehicles
Sheila Unken	KDOR
Bill O'BRIEN	JOHNSON COUNTY TREASURER
Dana Faxon	Johnson County

**From:** Larry Tucker <rntreasurer@mindspring.com>  
**To:** Senator Dave Kerr <bevvp@senate.state.ks.us>  
**Date:** 3/16/99 4:52PM  
**Subject:** HB 2142 & SB 209

Senator Dave Kerr  
Room 120-S  
State Capitol  
Topeka, Kansas 66612

Dear Dave:

I have polled the legislative committee of the County Treasurer's Association and they would accept a proposal to increase the service fee to fund the special auto fund for processing motor vehicle transactions from \$ 2.25 to \$ 3.00 plus allow the \$ 1.00 title fee to fund VIPS/CAMA technology to continue for another two-three years.

Thank you for your support. If you have any questions, please contact me.

Larry Tucker, President  
Kansas County Treasurer's Association  
Reno County Treasurer  
316-694-2937  
3-16-99 4:50 PM

Senate Ways and Means Committee

Date 3/17/99

Attachment # 1

TO : Senate Transportation & Tourism Committee  
*Eileen King Past-Pres.*  
FROM : ~~Larry Tucker, President,~~ Kansas County Treasurers' Association

*Talked to  
Governor's Office  
Don Deumes*

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.



Senate Ways and Means Committee

Date *3/17/99*

Attachment # *2-1*



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 a large initial "L" and "T".

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.**



**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

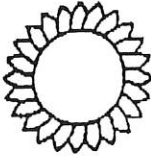


Senate Ways and Means Committee

Date 3/17/99  
Attachment # 3



COMM



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.