



**Shawnee County
Office of County Treasurer**

Room 101, Courthouse, Topeka, Kansas 66603
785-291-5415 (Motor Vehicle)
785-291-5416 (Tax)
<http://www.snco.us>

LARRY MAH
COUNTY TREASURER

Senate Committee on Transportation

Chairman Petersen

HB 2605

March 14, 2016

This testimony opposes HB 2605 which blocks the registration of motor vehicles that have unpaid Kansas Turnpike Authority tolls. This bill prevents the County Treasurers from processing the registrations and consequently also blocks the collection of property taxes. While I support the collection of the tolls, I believe it is bad tax policy to refuse receipt of taxes until the KTA debt has been settled.

Establishing the County Treasurer's office as the default collection point for KTA bad debt presents many operational problems. These include confrontations and slowing down the registration process for other taxpayers. Many Treasurers' offices are struggling with long wait lines and confrontations between staff and customers is already a problem. The operational issues are so numerous; I've attached a support document listing them.

While the above operational concerns are significant, the most important issue is the refusal to accept tax payments until the debt is settled. Local school districts are already struggling with funding issues, blocking tax receipts in favor of collecting KTA fees places a burden on all down stream recipients of those tax dollars. In an effort to punish those with unpaid KTA fees, this bill has the added effect of preventing the collection of taxes from these individuals. Relief from paying taxes is not a deterrent, it is a reward. Individuals that habitually run toll gates and refuse to pay, are not likely going to fear running on expired tags when it has the added benefit of tax relief.

HB2605 establishes a process that is not in the best interest of the law-abiding taxpayer. Modernization of the KTA operations is necessary and has my full support. This modernization can move forward without placing the burden of bad debt collection on the County Treasurers and the tax districts they serve. There are many tools available to the KTA that can be utilized to collect bad debt, passing the collection burden to the County Treasures and blocking the collection of taxes should not be one of those tools. I ask that you oppose HB 2605.

Larry Mah
Shawnee County Treasurer

Operational Concerns Associated with HB2605

1. Long waiting times to process vehicle registrations. The current registration process is already plagued with delays, inserting KTA bill collection will add additional delays.
2. The process used to block motor vehicle registrations blocks the customer record. The blocking of the customer's record automatically blocks ALL vehicles associated with that customer record. This includes any vehicle where the blocked customer's name appears. This will include vehicles where the blocked customer is only a secondary owner (parents, children, ex-spouses, etc.). Completely innocent individuals will be blocked until they can prove their lack of involvement.
3. Collection of taxes is naturally contentious. Creating an uncontrolled confrontation with individuals that run toll gates and refuse to pay in the Treasurer's office when large numbers of innocent taxpayers are present is not wise.
4. The current registration process uses the same numbers for different types of plates. This results in the misidentification of the vehicles involved. When this occurs, it takes considerable effort to determine the correct vehicle.
5. The KTA claims that the number of vehicles blocked will be small. Possibly only three per month. They also admit that up front costs will exceed \$370,000 and that there will be reoccurring expenses. If the number of vehicles blocked is so low, how can the setup costs be justified?
6. Adoption of HB2605 establishes a practice that other state agencies will see as an easy solution to their problems. This has already begun with the subsequent introduction of HB 2727 that proposes blocking the vehicle registrations of individuals that owe child support.
7. This process will not be limited to the KTA. The KTA has already indicated that they establish compacts with at least 13 other states which will consequently look to the Kansas County Treasurers to collect their bad debt.
8. Counties that border neighboring states already deal with individuals that register in other states to avoid taxes. HB2605 will only encourage others to move their registrations to other states if their registrations are blocked in their Kansas County.