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## Oral Testimony of the Kansas Association of Counties to the House Committee on Taxation Neutral for HB 2382 • March 23, 2017

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify on House Bill 2382, an 11-cent increase to the fuels tax. KAC appears as a neutral conferee as our stance relates only to the transportation system instead of the specific fuels tax. Our members identified transportation as a clear priority in 2017, and—as it relates to the fuels tax—we support any efforts to adequately support infrastructure in Kansas. Yet because of the history of sweeping highway funds, we ask this committee to maintain the current percentage of taxes devoted to the Special City and County Highway Fund.

From the county perspective, the key provision in HB 2382 starts in Section 4 and reads as follows:

(b) beginning July 1, 2017, and prior to January 1, 2018, to the state highway fund 76.84% and to the special city and county highway fund 23.16%; and (c) beginning January 1, 2018, and thereafter, to the state highway fund 76.78% and to the special city and county highway fund 23.22%.1

The change would decrease the funding percentage for the city-county fund, and our preference is for the percentage to remain at the current 33.63%. With that in mind, it is essential for our infrastructure that we remain steady in supporting the transportation system.

KAC has two standing principles relating to transportation: (1) support planning and adequate funding for the state's transportation system and infrastructure needs; and (2) support safe and reliable infrastructure while opposing legislation that speeds the decline of our roads and bridges.<sup>2</sup> While some metrics rate Kansas roads as sound and stable,<sup>3</sup> the focus of these studies do not give a complete picture of our rural roads and bridges. Another report similarly based on

<sup>&</sup>lt;sup>1</sup> House Bill 2382, Section 4 (2017).

<sup>&</sup>lt;sup>2</sup> Kansas Association of Counties 2017 Policy Statement. Available at: www.kansascounties.org/DocumentCenter/View/2316.

<sup>&</sup>lt;sup>3</sup> David T. Hartgen, Ph.D., P.E. and M. Gregory Fields, Ph.D. 22<sup>nd</sup> Annual Highway Report: The Performance of State Highway Systems. Reason Foundation (2016) (citing 2013-14 data from the Federal Highway Administration). Available at: http://reason.org/files/22nd annual highway report.pdf.

2014 data showed a grim picture on the roads less commonly traveled in Kansas.<sup>4</sup> The report from TRIP ("The Road Information Program")—a nonprofit that researches and evaluates data on surface-transportation issues<sup>5</sup>—rated 30% of our rural roads in poor condition. A road in poor condition means that drivers will likely notice the rough surface caused by cracked and broken pavement.<sup>6</sup> Roads with a poor rating often suffer from significant distress to the underlying foundation and need resurfacing to correct structural problems.<sup>7</sup> Local roads represent over 90% of all the roads in Kansas and carry 43% of all traffic.<sup>8</sup> Yet counties and cities only receive 33.63% of the fuel tax under the current system. It would be a disservice to our rural communities to further decrease the percentage devoted to the Special City and County Highway Fund.

Our member counties adopted the following language as KAC's guide for the 2017 legislative session: "emphasize the need for adequate and dedicated dollars to build and preserve our state's infrastructure." Increasing the monies that flow into the Special City and County Highway Fund addresses this goal, but the decreased percentage to the fund causes concern. KAC encourages this committee to pursue policies that stabilize our State's infrastructure, and we encourage doing so with a formula that keeps the current funding percentages for local projects.

Respectfully,

Nathan Eberline

Kansas Association of Counties

<sup>&</sup>lt;sup>4</sup> Kansas' Rural Roads Have High Rates of Deficiencies and High Fatality Rates. TRIP (2015). Available at: www.tripnet.org/docs/Rural Roads TRIP KS Release 05-19-15.pdf.

<sup>&</sup>lt;sup>5</sup> About Trip (2017). Available at: www.tripnet.org/about.php.

<sup>&</sup>lt;sup>6</sup> Bumpy Roads Ahead: America's Roughest Rides and Strategies to make our Roads Smoother. TRIP (Nov. 2016). Available at: <a href="https://www.tripnet.org/docs/Urban Roads">www.tripnet.org/docs/Urban Roads TRIP Report November 2016.pdf</a>.

<sup>&</sup>lt;sup>8</sup> Kansas Local Road Management Handbook (2015). Available at: www.kutc.ku.edu/sites/kutc.ku.edu/files/docs/ltap-news/LRMH-2015.pdf

<sup>&</sup>lt;sup>9</sup> Kansas Association of Counties 2017 Policy Statement. Available at: www.kansascounties.org/DocumentCenter/View/2316.