



*Kansas County Treasurer's Association (KCTA)*  
President Vernon Reinking, Smith County  
[www.kansastreasurers.org](http://www.kansastreasurers.org)

## **BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION**

February 21, 2019

### **House Bill 2180**

Testimony of  
Steve Kearney, on behalf of the  
Kansas County Treasurer's Association

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify on behalf of the Kansas County Treasurer's Association (KCTA). KCTA along with members of the Senate and House Transportation Committees as well as the Kansas Department of Revenue (KDOR) spent time over this last year working together to make improvements to the current motor vehicle fee model. House Bill 2180 is a result of that work. House Bill 2180 is not a tax increase. House Bill 2180 establishes a flat fee for service structure for motor vehicle transactions. House Bill 2180 creates transparency, simplifies and improves the customer experience. House Bill 2180 better supports the motor vehicle operation at the local level.

### **Background**

In February 2018, KCTA presented a State of Motor Vehicle report to this committee. There were several key takeaways; small, medium, and large counties are not able to fully fund their motor vehicle operations using the current fee structure and contractors are allowed to charge 5.5 to 8.5 times what County Treasurers can for providing the same services. After the presentation, KCTA met with leadership from both the Senate and House Transportation Committees to discuss improvements that could be made to the existing fee model. A working group consisting of Senator Goddard, Representative Francis and Representative Lusker, KDOR and County Treasurers was formed. The purpose of the working group was to further develop an understanding of the motor vehicle fee model and the impacts on the operation.

In March 2018, KCTA sent a survey to all Kansas County Treasurers. KCTA received 90 responses and was able to determine that County Treasurers support the following:

- Restructuring fees to mitigate the need to increase property taxes or reduce services
- Maintaining consistency in what counties are allowed to charge
- A simplified, consolidated county fee in place of multiple fees

In August 2018, the working group met to review the survey results and discuss the following operational considerations:

- Rising costs associated with;

- Inflation
- Employee salaries and benefits
- Equipment required by the State
  - As you can see in the handout provided there is a significant amount of hardware required to process title and registration transactions. Replacing hardware for one workstation in an office costs over \$2,200. Annual toner costs are estimated to vary from \$400 to \$30,000 depending on county size. This does not include other necessary peripheral equipment or software required to run a motor vehicle office.
- Limited ability to improve service levels and customer experience
  - Many County Treasurers would like to improve services levels through increased staffing and by utilizing technology solutions that increase efficiency and service levels.
- Customer experience and complexity of current fee model – specifically customer frustration with the facility fee

The working group recommended developing a simplified and consolidated county fee structure that improves the customer experience, creates transparency, and better supports counties at the local level. The working group’s recommendations were presented to the KCTA members in September 2018. KCTA voted and 95% of Kansas County Treasurers responded in support of the proposed consolidated flat county fee model. Today we bring you House Bill 2180 which accomplishes what the group recommended. House Bill 2180 is overwhelmingly supported by Kansas County Treasurers.

**Legislative Intent**

Transactions that would be charged the new \$10 county service fee would fall under the following categories listed below. Registration reprints and duplicate decals would no longer be charged a fee under the new structure. New transaction types implemented after this change would be subject to the \$10 county service fee.

- Add security interest/refinance secured title
- Junking certificate
- Replace/reissue title
- Salvage title
- Title & registration
- Issue 60 day permit
- Issue 1 day permit
- Order special plate
- Replace plate
- Registration renewals

Title only (commercial vehicles, possessory lien, repossession title, antique title, dealer title, mechanic’s lien sale, landlord title, decedent’s affidavit, abandoned vehicle, claim of heir, transfer on death, quiet title, non-highway, storage lien, trailers less than 2,000 lbs., manufactured homes, electric low speed vehicles)

**Statewide Impact**

The average increase to customers statewide is \$1.64 per transaction. KCTA believes that this is reasonable considering most county fees have not changed for many years. The county portion of the

title fee was last changed in 1981 and the county service fee was last changed in 2007. In most cases, the annual property tax decrease as a result of vehicle depreciation will exceed the increase in fees, therefore proposed changes to the fee structure would not negatively impact the majority of customers.

For example:

**2010 Toyota Camry, Johnson County**

	Registration Fees	Property Tax	Total Paid
<b>2018</b>	\$42.25	\$118.49	\$160.74
<b>2019</b>	\$46.50	\$100.93	\$147.43↓

**State Fee Comparisons**

With the new fee structure, motor vehicle fees in Kansas are similar, and in most cases lower, than fees charged by surrounding states. The chart below shows a comparison of the total estimated cost to title and register a 2010 Toyota Camry passenger vehicle in Kansas and surrounding states not including excise, property or sales tax. The proposed changes to the fee model includes eliminating the county facility/satellite fee.

<b>Kansas*</b>	<b>Missouri</b>	<b>Oklahoma</b>	<b>Colorado</b>	<b>Nebraska</b>
\$55.00	\$54.75	\$109.00	\$109.92	\$57.10

\*Kansas estimate includes the new county flat fee as proposed.

**Public Education Campaign**

KCTA will develop a comprehensive education campaign that includes talking points for elected officials, County Treasurers and their staff. KCTA will also develop a public communication strategy for County Treasurers that includes press releases explaining the change and signage for local offices.

**Summary**

House Bill 2180

- ✓ Reduces complexity and redundancy in the County fee structure by eliminating or reducing over 12 fees found in statute.
- ✓ Creates transparency for customers and reduces frustration as a result of the facility/satellite fee.
- ✓ State comparisons show that with the new fee structure Kansas will continue to maintain a lower than average cost to title and register a vehicle.
- ✓ Average fee increase to customers statewide is \$1.64 per transaction.
- ✓ Creates equity between for the Counties in the performance of the States motor vehicle program duties.

In summary, there was a significant amount of great work that went into House Bill 2180. We have greatly appreciated your feedback and sponsorship throughout this process. We ask for your continued support to move this legislation forward from committee. Thank you for your consideration.