



# WALLACE COUNTY

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February 7, 2019

The Honorable Richard Proehl, Chair  
Committee on Transportation  
Kansas House of Representatives  
300 SW 10<sup>th</sup>  
Topeka, KS 66612

Dear Representative Proehl and members of the Kansas House Transportation Committee,

As Wallace County Treasurer, I am writing to you in support of **HB 2180** and urge your awareness of several considerations.

Through a working group of Kansas County Treasurers, Legislators, and employees from Kansas Department of Revenue, specific issues have been identified within the current motor vehicle fee structure. Through this collaborative effort, improvements were then identified to update and improve the motor vehicle fee model. **HB 2180** is the culmination of these efforts. This bill was drafted with several goals in mind.

There is a drastic need to simplify the current fee structure. With a variety of fees and descriptions on the current motor vehicle fee statement, the current fee structure is difficult to understand and does not differentiate where specific dollars or fees are allocated. This ambiguity causes question and concern from members of the public, who are left to assume that all of those dollars stay here at the county level, when in fact a majority of these fees are sent to the State of Kansas for further allocations.

*The new fee model outlined by **HB 2180** provides for the breakdown of fees – permitting customers to understand where their dollars are being sent. Thus, the motor vehicle statements will be more transparent and customer friendly for the public.*

Financial sustainability was also identified as a major point of concern among the group. As you may be aware, county offices retain a small portion of the transaction fees for processing motor vehicle transactions. These dollars are held in our Motor Vehicle Operating Fund. They are to be used specifically for expenses relating to the operation of our motor vehicle offices: salaries, benefits, utilities, meeting/travel expenses, trainings, equipment, and other miscellaneous expenses that assist in the processing of motor vehicle transactions. In 2016, our office generated just under \$22,000 in fee revenue for processing both motor vehicle and commercial vehicle transactions. That might sound substantial for a small county. However, our motor vehicle related expenses were nearly \$125,000. This figure includes 90% of our employees' salaries & benefits, utilities, and travel expenses related to training. (Approximately the other 10% of our costs and time is not related to motor vehicle processing). With a net deficit of approximately \$102,800.00 it has been necessary for me to include motor vehicle related

expenses within my general fund budget. Unfortunately, costs only continue to rise! Necessary equipment to complete transactions, such as computers, printers, and scanners were once provided by the state. These technology updates and purchases have now become our additional responsibility with no increase of funds to do so.

***HB 2180** permits an increase in county fee revenue, which will assist in greater financial sustainability for our county offices.*

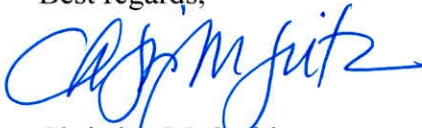
Several years ago, the legislature approved the implementation of a “facility fee”. This fee allowed counties the option of charging up to an additional \$5.00 per transaction. Not only was the fee NOT included on mailed renewal notices, it was also only charged to those individuals who chose to conduct their renewals in our offices. As you can imagine, the use of the facility fee stirred up a controversy statewide. Many counties chose not to utilize it, as it penalized customers who wanted “in person service”. Personally, I did not feel that it was appropriate to charge the fee for customers who utilized our office, which is also in our county courthouse. Many other Treasurers shared the same opinion and also did not utilize it.

*With **HB 2180**, the highly unpopular facility fee would be eliminated.*

As a Kansas County Treasurer, our motor vehicle offices work hard to provide outstanding customer service and education, while being limited financially. The passage of **HB 2180** would greatly assist in providing county motor vehicle offices the transparency our customers desire and the financial sustainability our offices direly need.

I urge your support in the passage of **HB 2180**.

Best regards,



Christine M. Smith  
Wallace County Treasurer