



TREASURER'S OFFICE

Shilo Heger
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February 7, 2023

To: Representative Shannon Francis, Chair of the House Transportation Committee

From: Shilo Heger, Riley County Treasurer

Re: Support of House Bill 2148

Representative Francis and members of the House Transportation Committee thank you the opportunity to offer testimony in support of House Bill 2148. Five years ago the Kansas County Treasurer's Association identified the need to find a way to fund the motor vehicle operations in the county without causing a hardship to our constituents. We worked in collaboration with several county treasurers from various county sizes, the Kansas Department of Revenue, and members of the House and Senate Transportation committees. The result is a bill that would simplify the motor vehicle fee structure, make the fees retained by the counties transparent to the customer, and would increase the revenues the county receives for performing motor vehicle transactions on behalf of the State.

Currently, the motor vehicle structure is very complicated and has been pieced together over the years. On a basic title and registration application the fees are broken down as follows:

Fee	County's Portion	State's Portion	Total
Registration	0.75	29.25	30.00
Title Fee	2.00	8.00	10.00
Transfer Fee	0.75	0.75	1.50
KHP Training Fee	0.00	2.00	2.00
Law Enforcement Training Fee	0.00	1.25	1.25
DMV Modernization Fee	0.00	4.00	4.00
County Service Fee	5.00	0.00	5.00
Sales Tax	0.00	288.00	288.00
Sales Tax Collection Fee	0.50	0.00	0.50
Motor Vehicle Property Tax	0.00	69.03	69.03

In this example the County retains \$9.00 for the transaction, the State receives \$333.25, and the County distributes the property tax of 69.03 to the appropriate taxing entities. With the exception of the County Service Fee and the Sales Tax Collection fees all the other fees the county retains are built into the individual line items and are not transparent to the customer. This bill will eliminate all the



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individual fees the county retains within the transaction and will charge a flat and transparent \$10 county service fee. This bill would also eliminate the \$4.00 DMV fee. The DMV fee was originally intended to be used for upkeep of the motor vehicle system, but since 2013 this fee has been distributed to KDOT. In the example provided the customer would actually see a decrease of \$3.00 if this bill was passed. For a renewal the increase to the customer would be 25 cents.

The \$10 flat fee will help reduce the amount of ad valorem tax dollars needed to support the motor vehicle operations within the county. In Riley County there are 13 employees that work 90% of the time on motor vehicle type transactions. In 2022 the cost to operate the motor vehicle department was \$819,490. The total motor vehicle revenues received were \$394,320. A shortage of \$425,170 that was covered by the general fund and Ad Valorem tax dollars. The proposed fee change would have represented an estimated \$254,000 in additional revenues to offset this shortage. The proposed fee change does not make Riley County whole, but it was important to the county treasurers we kept the fee consistent across all counties and this is the amount we settled on to help every county at least to some degree.

The treasurers across the state provide a very valuable service to their constituents. The proposed fee will allow us to continue to provide these services and cover them with fees paid by those motor vehicle customers. We have proposed a fee that is consistent across all counties, is transparent to the customer, and provides the revenue needed to fund the motor vehicle operations. It is my hope you will support our efforts to reduce the amount of ad valorem taxes being used to subsidize the motor vehicle department by passing this bill. Thank you for your consideration.

Shilo Heger
Riley County Treasurer