

**Administration**

**Consequences of Not Funding this Program**

- Lack of oversight of KDOR core functions.
- Inability to adhere to State policies and procedures for accounting, procurement, and personnel management.
- Unable to handle administrative and court matters and legal analysis in-house.
- Reduced ability to manage vital tax, vehicle, and credential information.
- Fiscal notes, open records requests, and statistical reports not completed in a timely manner.
- Non-compliance with state and local tax statutes and taxpayers not remitting the correct amount of tax.

<u>Statutory Basis</u>	<u>Mandatory vs. Discretionary</u>	<u>MOE/Match Rgt.</u>	<u>Priority Level</u>
General KSA 75-5101 and 75-1527	Mandatory	No	1

**Program Goals**

- A. The Office of the Secretary is responsible for ensuring the agency follows it's mission.
- B. Represent the agency in litigation and provide legal advice to the Department of Revenue.
- C. Support the development of efficient tax laws and consistent policies.

**Program History**

KSA 75-5101 provides for the organization of the Department of Revenue and delineates the powers of the Secretary of Revenue. KSA 75-5127 allows the Secretary to organize the Department of Revenue in a manner that will promote efficiency.

**Performance Measures**

<i>Outcome Measures</i>	<i>Goal</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Previous Est.</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3- yr. Avg.</i>
1. Percentage of fiscal notes	C	80.0%	80.0%	80.0%	80.0%	89.0%	80.0%	80.0%	83.0%
2. Total number of fiscal notes	C	292	294	372	225	292	225	225	319
<i>Output Measures</i>									
3. Administrative tax appeals docketed	B	355	250	279	450	406	500	500	311.7

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**Funding**

<i>Funding Source</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Approved</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3-yr. Avg.</i>
State General Fund	\$ 3,172,217	\$ 6,073,649	\$ 6,322,805	\$ 5,387,928	\$ 5,650,286	\$ 3,512,520	\$ 3,544,063	\$ 6,015,580
Non-SGF State Funds	23,736,997	28,595,826	30,761,945	30,376,366	30,981,727	33,243,140	33,357,474	30,113,166
Federal Funds	5,676	-	-					-
<b>Total</b>	\$ 26,914,890	\$ 34,669,475	\$ 37,084,750	\$ 35,764,294	\$ 36,632,013	\$ 36,755,660	\$ 36,901,537	\$ 36,128,746
<b>FTE</b>	297.5	282.3	272.3	273.3	273.3	273.2	273.2	275.9

## Aid to Local Units

### Consequences of Not Funding this Program

•Violation of the established state statues and regulations. The local jurisdictions would not receive revenue from the State of Kansas.

Statutory Basis	Mandatory vs. Discretionary	MOE/Match Rqt.	Priority Level
General K.S.A. 79-4227 K.S.A. 79-5211 K.S.A. 82a-309 K.S.A. 8-2425	Mandatory	No	1

### Program Goals

- A. Be accountable for the distribution of aid payments to local governments.
- B. Ensure that all aid payments are made on or before the scheduled distributions dates.

### Program History

This program provides for the distribution of certain State-collected taxes and fees to local units of government as aid. Local aid distributions include: sand royalties, fees collected from the sale of full-privilege motor vehicle dealer license tags, mineral production taxes and assessments of delinquent taxes and penalties imposed for nonpayment of taxes on marijuana and controlled substances.

### Performance Measures

Outcome Measures	Goal	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Previous Est.	FY 2022 Actuals	FY 2023 Est.	FY 2024 Est.	3-yr. Avg.
1. Percentage of aid payments distributed on schedule	B	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

### Funding

Funding Source	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Approved	FY 2022 Actuals	FY 2023 Est.	FY 2024 Est.	3-yr. Avg.
State General Fund								\$ -
Non-SGF State Funds	\$ 4,705,447	\$ 3,557,420	\$ 1,993,678	3,491,210	4,394,844	6,105,710	5,606,710	3,315,314
Federal Funds								-
<b>Total</b>	\$ 4,705,447	\$ 3,557,420	\$ 1,993,678	\$ 3,491,210	\$ 4,394,844	\$ 6,105,710	\$ 5,606,710	\$ 3,315,314
<b>FTE</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## Alcoholic Beverage Control

### Consequences of Not Funding this Program

- Threat to public safety particularly as it applies to minors.
- Potential influx of criminal activity masked within the industry.

Specific	<u>Statutory Basis</u>	<u>Mandatory vs. Discretionary</u>	<u>MOE/Match Rqt.</u>	<u>Priority Level</u>
	K.S.A. 75-5117 K.S.A. 41-101 K.S.A. 41-2601	Mandatory	No	1

### Program Goals

- A. Regulate licensees in an efficient, capable, fair, and professional manner.
- B. Make it as easy as possible to voluntarily comply with liquor laws by providing educational training to licensees.
- C. Protect public safety by performing random controlled buys to increase compliance rate for the sale of alcohol to underage persons.
- D. Contribute to and protect the integrity of KDOR revenue streams by monitoring the filing and remittance of taxes on the sale of alcoholic beverages.

### Program History

In 1949, the Kansas Legislature created the Alcoholic Beverage Control (ABC) to regulate the liquor industry after prohibition was lifted. ABC regulates and enforces the Liquor Control Act, Club and Drinking Establishment Act, and the Keg Tag Act. The Cereal Malt Beverage (CMB) Act requires ABC to add a State CMB stamp to locally issued CMB retailer licenses.

### Performance Measures

<i>Outcome Measures</i>	<i>Goal</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Previous Est.</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3- yr. Avg.</i>
1. Number of controlled buys	C	380	404	291	612	922	950	950	539.0
2. Compliance rate for the controlled buys for the sale of alcohol to underage persons	C	87.0%	85.0%	84.0%	85.0%	83.0%	85.0%	85.0%	84.0%
3. ABC regulation cost per licensee	D	\$ 481.04	\$ 516.92	\$ 545.47	\$ 541.64	\$ 455.68	\$ 509.83	\$ 512.34	\$ 506.02

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<i>Output Measures</i>									
4. Liquor Enforcement Tax violations	D	42	20	24	25	30	30	30	24.7
5. Liquor Drink Tax violations	D	209	105	119	115	203	200	200	142.3

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**Funding**

<i>Funding Source</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Approved</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3-yr. Avg.</i>
State General Fund	\$ -	\$ -	\$ -					\$ -
Non-SGF State Funds	2,929,569	3,081,384	3,329,486	3,318,077	3,005,715	3,365,876	3,382,663	3,138,862
Federal Funds	44,685	46,483	12,047	47,000	53,738	50,000	50,000	37,423
<b>Total</b>	\$ 2,974,254	\$ 3,127,867	\$ 3,341,533	\$ 3,365,077	\$ 3,059,453	\$ 3,415,876	\$ 3,432,663	\$ 3,176,284
<b>FTE</b>	39.0	39.8	39.8	38.8	38.8	36.8	36.8	39.5

## Tax Operations

### Consequences of Not Funding this Program

- All personal, corporate and business taxation, motor fuel tax, excise tax administration, and customer service would cease.
- Delinquent tax debt would go unrecovered. No field presence would lead to an increase in non-compliance.
- Increase in tax fraud.
- No receiving and processing of tax returns.
- Inability to process and distribute \$9 billion to state and local entities, making Kansas government unable to function.
- Loss of federal highway funding due to non-compliance with International Fuel Tax Agreement.

	<u>Statutory Basis</u>	<u>Mandatory vs. Discretionary</u>	<u>MOE/Match Rgt.</u>	<u>Priority Level</u>
Specific	K.S.A 75-5102 through K.S.A. 75-5104	Mandatory	No	1

### Program Goals

- A. Administer and enforce tax laws with integrity, fairness, and civility.
- B. Increase voluntary compliance with tax laws through educational opportunities and the application of strategic decision/risk management processes to support and effective discovery and collection programs.
- C. Reduce accounts receivable and ensure prompt resolution by applying the latest best practices and latest technology in automation.
- D. Enforce laws relating to the sale of cigarette and tobacco products.
- E. Continually use new technologies and systems to reduce paper-based processing.

### Program History

In 1972, the Division of Taxation was created within and as a part of the Department of Revenue. The Division, headed by the Director of Taxation, administers almost all state taxes, including individual and corporate income, retail sales and compensating use, mineral severance, motor fuel, cigarette, and alcoholic beverage excise taxes. The Division also administers the Homestead Property Tax and Food Sales Tax refunds. For local governments, the Division administers retail sales, compensating use, liquor excise, and transient guest taxes.

### Performance Measures

<i>Outcome Measures</i>	<i>Goal</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Previous Est.</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3- yr. Avg.</i>
1. % of written correspondence	A	98.0%	87.0%	97.0%	97.0%	81.0%	85.0%	85.0%	88.3%
2. Compliance rate for random controlled buys for the sale of cigarette/tobacco products to minors	D	94.0%	95.0%	93.0%	90.0%	93.0%	90.0%	90.0%	93.7%
3. Delinquent tax collections	C	\$ 193,700,000	\$ 162,800,000	\$ 206,900,000	\$ 210,000,000	\$213,600,000	\$210,000,000	\$210,000,000	\$ 194,433,333

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4. Delinquent tax accounts receivable turnover ratio	C	0.39	0.35	0.78	0.75	0.70	0.75	0.75	0.61
<i>Output Measures</i>									
5. Individual income tax returns filed	A	1,619,114	1,494,492	1,819,361	1,650,000	1,595,337	1,650,000	1,650,000	1,636,397
6. Sales and use tax returns filed	A	717,475	733,352	802,944	760,000	791,012	795,000	795,000	775,769
<i>Additional Measures as Necessary</i>									
7. Percentage of electronically filed individual income tax return refunds issued within 14 days of receipt	E	96.0%	94.0%	94.0%	97.0%	97.0%	97.0%	97.0%	95.0%

**Funding**

<i>Funding Source</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Approved</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3-yr. Avg.</i>
State General Fund	\$ 11,682,278	\$ 8,641,695	\$ 8,312,786	\$ 9,404,259	\$ 8,517,274	\$ 10,621,848	\$ 10,950,578	\$ 8,490,585
Non-SGF State Funds	53,255,851	19,959,515	20,359,540	17,951,132	18,204,898	17,691,043	17,041,102	19,507,984
Federal Funds	133,783	64,807	47,335	30,000	56,428	29,999	30,000	56,190
<b>Total</b>	<b>\$ 65,071,912</b>	<b>\$ 28,666,017</b>	<b>\$ 28,719,661</b>	<b>\$ 27,385,391</b>	<b>\$ 26,778,600</b>	<b>\$ 28,342,890</b>	<b>\$ 28,021,680</b>	<b>\$ 28,054,759</b>
<b>FTE</b>	<b>358.6</b>	<b>363.1</b>	<b>353.1</b>	<b>349.8</b>	<b>349.8</b>	<b>359.45</b>	<b>359.45</b>	<b>355.3</b>



## Property Valuation

### Consequences of Not Funding this Program

- Failure to maintain a uniform and equal basis of property taxation as required by the Kansas Constitution.
- Loss of audit mechanisms to monitor compliance of the appraisal system with Kansas law.

Statutory Basis	Mandatory vs. Discretionary	MOE/Match Rgt.	Priority Level
General    K.S.A. 79-1404	Mandatory	None	1

### Program Goals

- A. Provide counties, taxpayers, and staff with clear, useful, and accessible rules for valuing property.
- B. Provide education for county appraisers and officials, taxpayers, and staff regarding the valuation of property and other tax-related issues. Ensure that uniform and accurate valuations and assessments occur.
- C. Maintain the CAMA system and provide state and county personnel training on its use through training courses and workshops, in-depth procedural manuals, and user meetings to address and resolve system functionality issues.
- D. Conduct an annual independent review of county appraisal procedures to ensure compliance with Kansas laws, rules and regulations, and related policies.

### Program History

The Property Valuation Department became a division of the Department of Revenue under the executive reorganization of 1972 and provides overall supervision, training and education, assistance and support, and reporting for the Kansas ad valorem property tax system. The Director of Property Valuation has general supervision and direction of the county appraisers in the performance of their duties, and general supervision of the system of taxation throughout the state.

### Performance Measures

Outcome Measures	Goal	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Previous Est.	FY 2022 Actuals	FY 2023 Est.	FY 2024 Est.	3- yr. Avg.
1. Percent of residential valuations meeting state appraisal statistical compliance standards	D	99.0%	99.0%	99.0%	99.0%	92.0%	90.0%	99.0%	96.7%
2. Percent of commercial valuations meeting state appraisal statistical compliance standards	D	95.0%	97.0%	80.0%	95.0%	53.0%	50.0%	95.0%	76.7%

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3. Tax dollars generated from distribution to counties based on assessed value (in millions)	A								
		\$ 603.9	\$ 622.9	\$ 654.2	\$ 673.0	\$ 680.4	\$ 707.6	\$ 735.9	\$ 652.5
<i>Output Measures</i>									
4. Number of counties with qualified appraisers	B	102	105	98	105	103	105	105	102.0

**Funding**

<i>Funding Source</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Approved</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3-yr. Avg.</i>
State General Fund	\$ 856,407	\$ 1,243,829	\$ 612,817	\$ 16,181	\$ 606,766	\$ 1,278,430	\$ 1,523,594	\$ 821,137
Non-SGF State Funds	3,105,729	2,904,033	3,227,482	4,189,498	3,632,999	3,430,417	3,206,974	3,254,838
Federal Funds	-	-	-	-	-	-	-	-
<b>Total</b>	\$ 3,962,136	\$ 4,147,862	\$ 3,840,299	\$ 4,205,679	\$ 4,239,765	\$ 4,708,847	\$ 4,730,568	\$ 4,075,975
<b>FTE</b>	39.5	40.1	35.1	35.1	35.1	35.1	35.1	36.8

**Division of Vehicles**

**Consequences of Not Funding this Program**

- Violation of established federal and state statutes and regulations.
- Unable to issue driver’s license/identification cards.
- Unable to track vehicle registrations, titles, and issue license plates.

<u>Statutory Basis</u>	<u>Mandatory vs. Discretionary</u>	<u>MOE/Match Rqt.</u>	<u>Priority Level</u>
Specific K.S.A. 75-5110	Mandatory	None	1

**Program Goals**

- A. Provide exceptional service to customers, business partners, and stakeholders. Ensure information is presented in a consistent, efficient manner. Monitor business needs closely and adjust staffing to maintain quality service levels.
- B. Identify methods and technologies to improve efficiency for both internal and external customers, including county partners, lenders, and dealers.
- C. Adjust staffing to match business needs to decrease wait times in largest driver's license offices.

**Program History**

On July 1, 1972, the Division of Vehicles was moved from the State Highway Commission to the Department of Revenue. The Division administers Kansas law relating to vehicle titling and registration, motor vehicle dealer licensing, and the issuance, maintenance, and renewal of drivers' licenses.

**Performance Measures**

<i>Outcome Measures</i>	<i>Goal</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Previous Est.</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3- yr. Avg.</i>
1. Average wait time at ten largest driver's license offices	C	20:43	10:30	9:15	8:30	7:05	9:40	9:30	8:56
2. Cost per registered vehicle	B	\$ 4.17	\$ 3.61	\$ 3.33	\$ 4.18	\$ 2.98	\$3.45	\$11.68	\$ 3.30
3. Cost per active credential	B	\$ 9.54	\$ 10.12	\$ 10.44	\$ 10.43	\$ 9.81	10.53	10.44	\$ 10.12
<i>Output Measures</i>									
4. Number of licenses/ID cards processed*	A	806,123	551,199	613,500	700,000	625,000	638,000	640,000	596,566
5. Percentage of online/mobile app renewals processed at county treasurers*	B	22.80%	31.81%	27.60%	32.50%	30.34%	30.50%	30.50%	29.92%

\*This metric is tracked on a calendar year basis. FY2022 is an estimate for calendar year 2022.

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**Funding**

<i>Funding Source</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Approved</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3-yr. Avg.</i>
State General Fund	\$ 13,542	\$ 60	\$ -	\$ -				\$ 30
Non-SGF State Funds	28,947,841	29,543,527	30,600,018	34,178,157	34,908,738	34,715,820	60,187,274	31,684,094
Federal Funds	32,307	10,287	-					5,144
<b>Total</b>	\$ 28,993,690	\$29,553,874	\$30,600,018	\$ 34,178,157	\$34,908,738	\$ 34,715,820	\$ 60,187,274	\$ 31,687,543
<b>FTE</b>	344.0	364.0	349.0	352.2	352.2	352.6	352.6	355.0