

Approved: 3/15/94  
Date

## MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

The meeting was called to order by Chairperson Ben Vidricksen at 9:00 a.m. on March 14, 1994 in Room 254-E of the Capitol.

All members were present except:

Committee staff present: Hank Avila, Legislative Research Department  
Ben Barrett, Legislative Research Department  
Bruce Kinzie, Revisor of Statutes  
Martha Ozias, Committee Secretary

Conferees appearing before the committee:

Marvin Smith - Representative, 50th District  
Richard Maginot - Business Administrator, Soldier Township  
Dean Prohaska - Silver Lake  
Jim Kaup - City of Topeka  
Marty Bloomquist - Financial Administration for Shawnee County  
Mike Seas - Shawnee County Public Works Director  
Mike Meisenheimer - Kansas Farmers Service Association  
Charles Nicolay - Kansas Oil Markers Association  
Reed Davis - KDOT  
Dedra Platt - Administrator, Kansas Department of Revenue  
Jr. Elder - State Director for Kansas Selective Service System

Others attending: See attached list

### **HB 2814 - Concerning the allocation of special city and county highway funds in Shawnee County**

Representative Smith addressed the Committee in support of this bill explaining that this would change the allocation of state city county highway funding for roads in Shawnee County. Counties like Shawnee have increased residential building in the townships and have increased needs for road improvements on township roads. At the present time there is not sufficient funding for township roads. This bill would only affect Shawnee County and the wording would change the distribution the townships receive and provide more uniformity for all the roads in the county. (Attachment 1)

Richard Maginot spoke on behalf of Soldier Township stating that additional funding is needed to maintain new subdivisions that are developing in that area. The proposed funding from this bill is needed at the township level and will assist in continuing efforts to provide safe, well-maintained roads for the township. (Attachment 2)

Dean Prohaska stood briefly and stated that he was in favor of the bill also.

Jim Kaup appeared in opposition to this bill at the request of the Mayor of Topeka. Although this bill only affects Shawnee County it would have a serious, long-term adverse financial impact on property taxpayers within the city by reducing the amount available for the maintenance of roads on the county highway system. Any increase in countywide property taxes to replace the lost revenue would include taxes on property within the city. He stated that this bill was a state mandate that could be dealt with locally and urged that the bill be killed. (Attachment 3)

Marty Bloomquist distributed statistic sheets and explained figures showing additional tax dollars that would be levied under the proposed plan. (Attachment 4)

Mike Seas told the Committee that township traffic increases traffic on county roads and they have had projects delayed because of funding problems. Passage of 2814 will just add to the problems.

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES, Room 254E-Statehouse, at 9:00 a.m. on March 14, 1994.

### **HB 2809 - Relating to taxation of motor vehicle fuels**

Mike Meisenheimer spoke in support of this bill as a great improvement in that it will exempt from special fuel tax the sale or delivery of dyed special fuel and remove the requirement that a distributor must make full reports on transactions involving dyed special fuels when used for non-highway purposes. Passage of this bill would be an important step in bringing the requirements of the state law in line with federal requirements to resolve problems associated with special fuel tax and as well as making the reporting process more efficient for everyone. (Attachment 5)

Charles Nicolay also expressed support for the bill.

Reed Davis explained that motor fuel which is not used on the highways is, by statute, exempt from motor fuel taxes and any tax paid would need to be refunded. Because of the importance of motor fuel taxes as a revenue source, the agency is concerned with the potential for motor fuel tax evasion at any level. He expressed concerns about any legislation which would tend to weaken the Department's ability to efficiently and effectively enforce the motor fuel statutes and opposed the bill as amended. (Attachment 6)

Dedra Platt addressed the bill explaining that the House amendment to this would have a negative effect on the State Highway and Special City and County Highway Funds. The current reporting requirements on diesel fuel allow the Department to track and monitor the receipts, sales and deliveries of exempt and taxable fuel and the amendment would remove these requirements. The Department requested that the amendment be stricken. (Attachment 7)

Senator Rock made a motion to strike the amendment to **HB 2809**. Senator Burke seconded this. Motion carried.

Senator Rock then made a motion to move the bill as amended. This was seconded by Senator Burke and motion carried.

### **HB 2805 - Concerning fees charged for information from records from DOV.**

Jr. Elder addressed the Committee on this bill explaining that the Selective Service System is required to maintain a list of males 18-26 years of age, with the exception of those who are on active duty with the armed forces or in the service academies, and a young man has a 60 day time frame in which to register. Many are not getting the message to register. In previous years the Selective Service has purchased the drivers license lists from the Director of Motor Vehicles but have been priced out of the market. This bill would grant the Director of Vehicles the authority to provide lists of names and addresses derived from their records to assist the selective service system in the maintenance of a list of persons 18-26 years of age in the state as required. (Attachment 8)

A motion was made by Senator Jones to pass **HB 2805** as amended to reconcile provisions of HB 2646. Senator Rock seconded this. Motion carried.

A motion was made by Senator Brady and seconded by Senator Rock to approve the minutes of the March 10 meeting. Motion carried.

The meeting was then adjourned by the Chairman.

The next meeting is scheduled for March 15, 1994.

# GUEST LIST

## SENATE TRANSPORTATION COMMITTEE

DATE: MARCH 14, 1994

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
STEVES KEARNEY	TOPEKA	KOMA
Bob Totten	Topoka	K-C-A
Charles Nicolay	Topoka	KOMA
Reed W. Davis	Topoka	KDOT
Mickie Schultz	Topoka	KDOR
Dedra Platt	<del>KEL</del> Topoka	KDOR
Tom Whitaker	TOPEKA	Ks Motor Carriers Assn
Mary E. Turkington	Topoka	Kansas Motor Carriers Assn
Joe Lieber	Topoka	U.S. Co-op Council
Mike Meisenheimer	Hutchinson	Kansas Farmers Service
Jim Kamp	Topoka	City of Topoka
Mike Sease	Topoka	Shawnee County
Marty Bloomquist	TOPEKA	Shawnee County
Martin Hawker	"	Hawker's Capitol Report
Denny Prochaska	Silver Lake	Silver Lake Township
RICHARD MAGINOT	TOPEKA	SOLDIER TOWNSHIP
John W. Smith	Topoka	KDOR DMV
Glen D. Cogswell	Topoka	R L Polk & Co.
Junius Elder	Topoka	Sil. Livestock
Matt Truett	Topoka	AP
Roger Myers	Topoka	Cap. press

MARVIN E. SMITH  
 REPRESENTATIVE, FIFTIETH DISTRICT  
 JACKSON AND SHAWNEE COUNTIES  
 123 N.E. 82ND STREET  
 TOPEKA, KANSAS 66617-2209  
 (913) 484-3417  
 CAPITOL—ROOM 115-S  
 TOPEKA, KS 66612-1504  
 (913) 296-7646



TOPEKA

HOUSE OF  
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
 CHAIRMAN: GOVERNMENTAL ORGANIZATION  
 & ELECTIONS  
 MEMBER: EDUCATION  
 TRANSPORTATION  
 JOINT COMMITTEE ON ADMINISTRATIVE  
 RULES & REGULATIONS

## SENATE TRANSPORTATION COMMITTEE

March 14, 1994

## HB 2814

House Bill 2814 is to change the allocation of state city county highway funding for roads in Shawnee County. Presently the cities receive 50% and county/townships receive the other 50% of state distribution. Presently the county keeps approximately 85% of the state funding and 15% is apportioned to the townships.

The recommended change in HB 2814 is on page 3 line 30 through 36. This basically would NOT change the state distribution of 50% to Shawnee County and 50% to cities located in Shawnee County. It would change the present county distribution so that the townships would receive 12.5% of the state funds, the county would receive 37.5%. The cities would continue to receive 50% of the Special City County Highway Distribution for Shawnee County.

Counties like Shawnee that have increased residential building in the townships have increased needs for road improvement on township roads. The present formula of 7.11% does not provide sufficient funding for township roads.

Presently the 7.11% of the state distribution to townships is only \$250,933 for 626 miles of township roads compared to \$1,513,318 for 297 miles of county roads. The proposed legislation is 12.5% of state distribution to townships of \$441,063 and \$1,323,189 for county roads.

HB 2814 will provide more equity and uniformity for all the roads in Shawnee County.



**79-3425a.**

**History:** L. 1949, ch. 484, § 7; L. 1951, ch. 495, § 3; L. 1955, ch. 419, § 2; Repealed, L. 1957, ch. 507, § 1; June 29.

**79-3425b.**

**History:** L. 1955, ch. 419, § 3; L. 1959, ch. 396, § 2; L. 1965, ch. 531, § 1; Repealed, L. 1970, ch. 397, § 10; July 1.

**79-3425c. Apportionment of special city and county highway fund; apportionment of county equalization and adjustment fund; credit and use.** (a) On January 15, April 15, July 15 and October 15 of each year, the director of accounts and reports shall transfer \$625,000 to the county equalization and adjustment fund from the special city and county highway fund and on such dates the state treasurer shall apportion and pay to the several counties of the state 57% of the moneys in the special city and county highway fund, created by K.S.A. 79-3425, and amendments thereto, and shall apportion and pay to the several cities of the state the remaining 43% of such moneys.

(b) (1) Except as provided in paragraph (2) of this subsection, the allocation and payment to each county under the provisions of this section shall be made in the following manner:

*First*, Each county of the state shall receive a payment of \$5,000;

*Second*, Of the balance remaining, 50% thereof shall be apportioned and paid to each county on January 15 and April 15 of each year in the proportion that the total amount of money collected in such county from motor vehicle registration fees for the second preceding calendar year bears to the total amount of money collected in all counties from motor vehicle registration fees for the second preceding calendar year, and on July 15 and October 15 of each year in the proportion that the total amount of money collected in such county from motor vehicle registration fees for the preceding calendar year bears to the total amount of money collected in all counties from motor vehicle registration fees for the preceding calendar year;

*Third*, The remaining 50% of such balance shall be apportioned and paid to each county on January 15 and April 15 of each year in the proportion that the average daily vehicle miles traveled in such county for the second preceding calendar year bears to the average daily vehicle miles traveled in all counties of the state for the second preceding calendar year, and on July 15 and October 15 of each year

in the proportion that the average daily vehicle miles traveled in such county for the preceding calendar year bears to the average daily vehicle miles traveled in all counties of the state for the preceding calendar year; and

(2) the allocation and payment to each county of the new revenue provided under the provisions of this act to the special city and county highway fund shall be made in the following manner:

*First*, 33 1/3% of such revenue shall be apportioned and paid in accordance with the provisions of *Second* of subsection (b)(1);

*Second*, 33 1/3% of such revenue shall be apportioned and paid in accordance with the provisions of *Third* of subsection (b)(1);

*Third*, the remaining 33 1/3% of such balance shall be apportioned and paid to each county on January 15 and April 15 of each year in the proportion that the total road miles in such county for the second preceding calendar year bears to the total road miles in all counties of the state for the second preceding calendar year; and on July 15 and October 15 of each year in the proportion that the total road miles in such county for the preceding calendar year bears to the total road miles in all counties of the state for the preceding calendar year.

If the total amount of money received by any county pursuant to the foregoing distribution formula and by all cities located within such county pursuant to subsection (c) of this section during the period from July 15 of any year to April 15 of the next succeeding year is less than the total amount received by such county and all cities located within such county from the county road and city street fund, the special city and county highway fund, the county and township road fund and the special motor carrier fee county road fund during the period from July 1, 1969, to June 30, 1970, plus the total amount such county and all cities located within such county would have received on July 15, 1970, from the special city and county highway fund based on the formula for distributing such fund in effect on June 30, 1970, then on April 15 of each year, the state treasurer shall apportion and pay to each such county from the county equalization and adjustment fund an amount which together with the amount received pursuant to the foregoing distribution formula will equal the total amount received from the four aforementioned funds during such period of time plus the total amount such county and all cities located within such county would have received on July 15, 1970, from the special city and county



highway fund based on the formula for distributing such fund in effect on June 30, 1970. In the event that there is insufficient funds in the county equalization and adjustment fund to pay each county the amount to which it is entitled, each county shall receive a payment in the proportion that the amount to which such county is entitled bears to the amount to which all such counties are entitled. If there is money remaining in such fund after such distribution, the state treasurer shall distribute the balance to the several counties in the manner provided in the second and third clauses of the foregoing formula for distributing moneys to counties from the special city and county highway fund.

All payments shall be made to the county treasurers of the respective counties, and upon receipt of the same:

(1) The county treasurers of Sedgwick and Shawnee counties shall credit 50% of the moneys received to the road and bridge fund of such counties and apportion and pay the remainder of such moneys to the several cities located in such counties;

(2) the county treasurer of Wyandotte county shall credit 10% of the moneys received to the road and bridge fund of such county and apportion and pay the remainder of such moneys to the several cities located in such county;

(3) the county treasurers of Lyon, Cowley, Crawford, Montgomery, Butler, Saline, Leavenworth, Riley, Reno and Douglas counties shall credit 90% of the moneys so received to the road and bridge fund of such counties and apportion and pay the remainder of such moneys to the several cities located in such counties except that no persons residing within the Fort Riley military reservation shall be included or considered in determining the population of any city located within Geary or Riley county; and

(4) the county treasurers of Johnson county and all other counties not listed in paragraphs (1), (2) or (3) shall credit all of the moneys received to the road and bridge fund of such counties.

Not less than 25% of the amount received by each county and credited to the county road and bridge fund under the provisions of this section shall be expended by the county on mail and school bus routes on county roads as defined in K.S.A. 68-101, and amendments thereto. Payments to the cities under the provisions of this subsection shall be in the pro-

portion that the population of each city bears to the total population of all cities located in the same county as such city.

In counties which have not adopted the county-unit road system, the amount of money retained by such counties after distribution to the cities within such county pursuant to this subsection shall be distributed to each township within such county in not less than the proportion that the amount of money received by each township from the county and township road fund during the period from July 1, 1969, to June 30, 1970, bears to the total amount of money received by such county from the county and township road fund, the county road and city street funds, the special motor carrier fee county road fund and the special city and county highway fund during the period from July 1, 1969, to June 30, 1970, plus the amount such county would have received on July 15, 1970, from the special city and county highway fund based on the formula for distributing such fund in effect on June 30, 1970. All payments to townships hereunder shall be made to the treasurers thereof, and all moneys so received shall be deposited in the general road fund of such township.

(c) The allocation and payment of moneys to the several cities of the state from the special city and county highway fund shall be in the proportion that the population of each city bears to the total population of all cities in the state except that the population of any military reservation which has been annexed to a city after the date of December 31, 1981, shall not be included in the population of such city for the purpose of this allocation. All such payments shall be to the city treasurers of the respective cities. Upon receipt of same unless a consolidated street and highway fund is established pursuant to K.S.A. 1988 Supp. 12-1,119, and amendments thereto, the city treasurer of each city shall credit the same to a separate fund to be used for the construction, reconstruction, alteration, repair and maintenance of the streets and highways of such city and for the payment of bonds, and interest thereon, issued pursuant to K.S.A. 79-3425g, and amendments thereto. In order to reduce vehicular traffic and congestion on its streets and highways, any city located within Johnson county may use not to exceed 10% of the moneys credited to such fund for the purpose of constructing, repairing and maintaining footpaths and bicycle trails within such city.

TOTAL NUMBER OF MILES OF ROADS IN SHAWNEE COUNTY = 923.06

<u>TOWNSHIP</u>	<u>COUNTY MILES</u>	<u>TOWNSHIP MILES</u>
Auburn	27.5 Miles	56.13 Miles
Dover	27.5 Miles	48.57 Miles
* Grove	18.5 Miles	29.50 Miles
Menoken	29.0 Miles	54.20 Miles
Mission	30.0 Miles	35.28 Miles
* Monmouth	43.5 Miles	73.35 Miles
* Rossville	20.0 Miles	68.45 Miles
Silver Lake	2.5 Miles	35.90 Miles
Soldier	39.0 Miles	91.65 Miles
Tecumseh	22.0 Miles	66.92 Miles
Topeka	14.0 Miles	11.91 Miles
Williamsport	23.5 Miles	54.20 Miles
<u>GRAND TOTAL</u>	<u>297.0 MILES</u>	<u>626.06 MILES</u>

(\*) Maintained by Shawnee County



# HB 2814

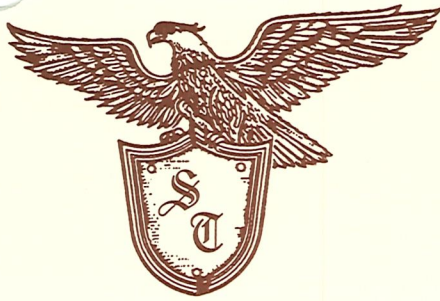
	<u>% to District</u>	Present Law	HB 2814 Amended 12.5% to Townships
Total from State	100.00000%	3,528,504.6	\$3,528,504 100.00%
Less City Share	50.00000%	1,764,252.3	\$1,764,252 50.00%
Co & TWP Total	50.00000%	1,764,252.3	\$1,764,252 50.00%
TWP Share	7.11%	250,933.5	\$441,063 12.50%
Co Share	42.88%	1,513,318.8	\$1,323,189 37.50%

## Township

Auburn	9.77310%	24,524.1	\$43,107
Dover	6.97402%	17,500.1	30,760
GROVE	4.01655%	10,878.9	17,719
Menoken	10.21195%	25,625.2	45,041
Mission	7.19167%	18,046.3	31,723
MONMOUTH	9.34017%	23,437.6	41,195
ROSSVILLE	10.33651%	25,937.3	45,588
Silver Lake	4.48326%	11,250.1	19,777
Soldier	19.61262%	49,214.6	86,506
Tecumseh	8.71753%	21,875.1	38,451
Topeka	2.24281%	5,627.9	9,896
Williamsport	7.09974%	17,815.6	31,314
TOTALS	99.99995%	250,933.4	441,077

(dif from 10 above,





# Soldier Township

600 N.W. 46th, Topeka, Kansas 66617

SENATE TRANSPORTATION COMMITTEE

March 14, 1994

HB 2814

Soldier Township, located in northeastern Shawnee County, has a population of 12,500 with 115 miles of road to maintain. Since 1989, the Township has experienced a significant growth that has added 2.6 miles of road to the township system. Currently, there are several subdivisions being constructed and/or planned in the Township. When completed, these subdivisions will add approximately 7.8 miles to the system.

As these new roads are added, additional funding is needed to maintain them. While increased valuation to the Township helps, the proposed increase in funding from HB2814 is needed at the township level. This will assist in continuing efforts to provide safe, well-maintained roads for the citizens of Soldier Township and all others who travel these roads.

Soldier Township requests your support of HB 2814.

Richard Maginot,  
Business Administrator

## ROADS ADDED TO SOLDIER TOWNSHIP SINCE 1989

DATE	ROAD NAME	LENGTH IN FEET
1/1/89	NE 60th Street	1241
1/1/89	NE 59th Terrace	1077
1/1/90	NW Levering Drive	580
1/1/90	NW Country Park Drive	590
1/1/91	NW 43rd Terrace	1038
1/1/91	NW Half Day Place	455
1/1/91	NW Half Day Lane	1700
1/1/91	NW Button Place	420
1/1/91	NW Camden Lane	750
1/1/93	NE Kendallwood Lane	549
1/1/93	NE Kendallwood Drive (4600 to 4700)	1280
1/1/94	NE 46th Terrace	1293
1/1/94	NE Kendallwood Drive (5200 to 5300)	1064
1/1/94	NE Susie Court	163
1/1/94	NE Monhollen Drive	532
1/1/94	NE Wallace Lane	532
1/1/94	NE Edgewood Street	558
1/1/94	NE Margo Court	163
	Total Feet	13,985 (2.6 miles)



# CITY OF TOPEKA

Harry "Butch" Felker, Mayor  
215 E. 7th Street Room 352  
Topeka, Kansas 66603  
Phone 913-295-3895  
Fax Number 913-295-3850

## MEMORANDUM

TO: Senate Committee on Transportation and Utilities  
FROM: Jim Kaup, City of Topeka  
DATE: March 14, 1994  
RE: HB 2814 -- Shawnee County Highway Aid

I appear today in opposition to HB 2814 at the request of Harry L. Felker, Mayor of the City of Topeka. While this bill affects directly only Shawnee County and its townships, we believe the passage would have a serious, long-term adverse financial impact on property taxpayers within the City of Topeka.

Under present state law (K.S.A. 79-3425c), 50% of the special city and county highway fund (from gas taxes) received annually by Sedgwick and Shawnee counties is paid to the county's road and bridge fund (with a portion paid to townships) and 50% is paid to cities therein on a population basis. Under HB 2814, applicable only to Shawnee County, the highway aid money received by the county treasurer would be distributed as follows:

- (a) 37.5% to the county road and bridge fund, of which 14.22% is paid to townships;
- (b) 12.5% to the 9 of 12 township boards maintaining highways; and
- (c) 50% to cities therein.

During 1993, the share of money retained by the Shawnee County road and bridge fund under the existing law was \$1,513,319 (of \$1,764,252 which amount includes the 14.22% township distribution). Had HB 2814 been in effect in 1993, the county amount would have been reduced by \$378,330. The township total would raise from the present \$250,930 to a total of \$629,260.

While the bill does not directly affect the City of Topeka, it will reduce the amount available for the maintenance of roads on the county highway system. Any increase in countywide property taxes to replace the lost revenue would include taxes on property within the city. In 1993, 70.8% of the county's assessed valuation was within the city. Thus a potential of \$267,857 would have been shifted to Topeka taxpayers in 1994 if the loss of highway aid was made up by increased county property taxes.

Taxable property in the City of Topeka now contributes significantly to Shawnee County's road and bridge fund. Taxes levied on property within Topeka for 1994 road and bridge fund purposes totaled about \$1,892,000 -- a significant contribution. This does not include the

potential \$267,857 increase under HB 2814.

Finally, I would note that under K.S.A. 68-572, Shawnee County may now voluntarily enter into agreements with its townships, as well as with its cities, for the maintenance of highways, roads and streets. Thus HB 2814 is a state mandate on a matter that could be dealt with locally. Since HB 2814 may increase taxes on property within Topeka, on top of the \$1.9 million present total, we oppose this state mandate and urge the bill be killed.

JMK:kk



HB 2814  
(Revised 3/7/94)

November 1993 Assessed Value - Shawnee County 760,451,786

1994 Estimated City/County Highway Tax Co. share	1,510,786 @85% = 1.987 mill
1994 Estimated City/County Highway Tax Co. share (under HB2814)	<u>1,135,032</u> 37.5% = <u>1.493 mill</u>
	<u>375,574</u> <u>(.494) mill</u>

CY 1994  
Current Mill Levy

If H.B. 2814 Passes  
(as amended)  
New Mill Levy

Road & Bridge Fund:	3.514 mills	4.008 mills
General Fund:	<u>25.852</u> mills	<u>25.852</u> mills
	<u>29.366</u> mills	<u>29.860</u> mills

Maximum Mill Levy  
Allowed Under Tax  
Lid.

31.587

31.587

Difference in Mills  
between Actual and  
Lid.

2.221

1.727

Tax dollars Not  
levied under the  
Lid.

\$1,688,964

1,313,300

Additional tax dollars to be levied under the proposed plan

\$375,574



SPECIAL CITY COUNTY HIGHWAY ESTIMATE

	% to District	HB2814 POLICY 1994 ESTIMATE	TOTAL HB2814 DISTRIBUTION TO TOWNSHIPS 14.22% OF 37.5%	CURRENT DISTRIB PERCENTAGES	CURRENT COUNTY DISTRIBUTION	DIFFERENCE
Total from State	100.00000%	3,528,504.67		100.00000%	3,528,504.67	
Less City Share	50.00000%	1,764,252.34		50.00000%	1,764,252.34	
Co & TWP Total				100.00000%	1,764,252.33	
TWP Share	12.50000%	441,063.08	629,263.20	14.22322%	250,933.49	378,329.71
Co Share	37.50000%	1,323,189.25	1,134,989.13	85.77678%	1,513,318.84	(378,329.71)

Township

Auburn	9.77310%	61,498.52		9.77310%	24,523.98	36,974.54
Dover	6.97402%	43,884.94		6.97402%	17,500.15	26,384.79
GROVE	4.01655%	25,274.67		4.01655%	10,078.87	15,195.80
Menoken	10.21195%	64,260.04		10.21195%	25,625.20	38,634.84
Mission	7.19167%	45,254.53		7.19167%	18,046.31	27,208.22
MONMOUTH	9.34017%	58,774.25		9.34017%	23,437.61	35,336.64
ROSSVILLE	10.33651%	65,043.85		10.33651%	25,937.77	39,106.08
Silver Lake	4.48328%	28,211.63		4.48328%	11,250.05	16,961.58
Soldier	19.61262%	123,415.00		19.61262%	49,214.63	74,200.37
Tecumseh	8.71753%	54,856.21		8.71753%	21,875.20	32,981.01
Topeka	2.24281%	14,113.18		2.24281%	5,627.96	8,485.22
Williamsport	7.09974%	44,676.05		7.09974%	17,815.63	26,860.42
						0.00
TOTALS	99.99995%	629,262.87		99.99995%	250,933.36	378,329.51
(dif from 10 above)					0.13	(0.13)

City	7/91 Population	1994 ESTIMATE	7/91 Population	1994 ESTIMATE	
Topeka	119,883	1,714,761.79	119,883	1,714,761.79	0.00
Auburn	908	12,987.69	908	12,987.69	0.00
Willard	110	1,573.40	110	1,573.40	0.00
Rossville	1,052	15,047.42	1,052	15,047.42	0.00
Silver Lake	1,390	19,882.04	1,390	19,882.04	0.00
TOTALS	123,343	1,764,252.34	123,343	1,764,252.34	0.00
(dif from 8 above)		ok		ok	
				1764252.33	



**TESTIMONY ON H.B. 2809**  
**SENATE TRANSPORTATION COMMITTEE**  
**MARCH 14, 1994**  
**PREPARED BY MIKE MEISENHEIMER, MANAGER OF TAXATION**  
**KANSAS FARMERS SERVICE ASSOCIATION**

Good morning and thank you for giving us the opportunity to explain the distributors and their patrons position regarding H.B 2809. I am Mike Meisenheimer, Manager of Taxation and Services for Kansas Farmers Service Association (KFSA). KFSA is a regional cooperative owned by 155 Kansas Agricultural Cooperatives. Our member cooperatives serve some 175,000 agricultural producing families, most of which, buy diesel fuel used for tax exempt purposes. In addition, I serve on the Tax Reporting Subcommittee of the Legal, Tax, and Accounting Committee of the National Council of Farmer Cooperatives.

H.B. 2809 as amended is a great improvement in that it: 1) exempts from special fuel tax the sale or delivery of dyed special fuel which is indelibly dyed in accordance with regulations prescribed under federal law 26 U.S.C. 4082, when used for non-highway purposes, and 2) removes the requirement that a distributor must make full reports on transactions involving dyed special fuels when used for non-highway purposes. Such reports include lists of receipts and sales of dyed special fuel for non-highway use.

As you are all aware, distributors are required under current state law to pay special fuel tax on receipts of dyed fuel from the terminal that have not been sold by month end. Due to seasonal demands and the fact that many distributors are hedging their

special fuel inventories, it can take months before such fuel is actually sold tax exempt. This results in increasing cash flow demands and lost interest revenue for such distributors storing dyed diesel for non-highway use. The amount of dyed special fuel handled by distributors making sales for off road purposes will continue to increase as a result of the cash flow incentives offered by the current federal law. (Clear diesel fuel is taxed at a rate of 24.4 cents per gallon on the invoice, while no federal tax is imposed on dyed fuel purchases.) House Bill 2809 would make this situation more equitable. Similar reasoning would apply for dyed diesel sold for non-highway use to other end users not holding a current state exemption permit for special fuel.

With respect to the reporting requirements, H.B. 2809 would also provide great relief for the distributors. Currently, reporting requirements of distributors under federal and state law are considerably different. In addition, federal law makes a distinction between clear and dyed diesel fuel, while state law treats them the same. As a result, unnecessary burdens are placed on distributors and their customers. For example, many distributors are forced to track seven diesel general ledger accounting codes to comply with both federal and state reporting requirements. Because federal law provides no reporting requirements for dyed diesel transactions, the elimination of the dyed fuel reporting requirements as proposed by H.B. 2809 would make the accounting function more consistent and efficient. The end result would be less confusion for both the distributors and



their customers.

Passage of H.B. 2809 would also make the Department of Revenue more efficient. Although it would eliminate the requirement of reporting dyed diesel exempt sales to the Department, the Internal Revenue Service currently has in place tank testing audit procedures, pump and ticket documentation requirements, and penalty provisions for non-compliance. The Department of Revenue would be in position to add additional audit procedures and penalty provisions as necessary. More time could be devoted by the Department to audit distributors and end users with respect to tax exempt clear diesel. This is where the material exposure for non-compliance rests.

A significant amount of my time has been spent this past year explaining the diesel fuel tax revisions at both the federal and state level to our members and customers. Based on the numerous questions and concerns from them, bringing the requirements of the state law in line with federal requirements is essential in resolving the current problems associated with special fuel tax and making the reporting process more efficient for everyone. The passage of H.B. 2809 is an important step.

At this time I will be happy to entertain any questions you have. On behalf of our members, customers, and their 175,000 ag-producers, I would like to thank each of you for your attention and concern.



Michael L. Johnston  
Secretary of Transportation

KANSAS DEPARTMENT OF TRANSPORTATION

Docking State Office Building  
Topeka 66612-1568  
(913) 296-3566  
FAX - (913) 296-1095

Joan Finney  
Governor of Kansas

**TESTIMONY BEFORE THE  
SENATE TRANSPORTATION AND UTILITIES COMMITTEE  
REGARDING  
HOUSE BILL 2809  
AS AMENDED BY THE HOUSE COMMITTEE ON TRANSPORTATION  
CONCERNING DYED SPECIAL FUELS FOR NON-HIGHWAY USE  
March 14, 1994**

Mr. Chairman and members of the Committee:

My name is Reed W. Davis and I am Assistant to the Director of Administration for the Kansas Department of Transportation. I appreciate the opportunity to appear before the Committee. The Department of Revenues administers and enforces the motor fuels tax statutes and can best answer specific questions on the law and its administration.

The Department of Transportation is not opposed to the passage of House Bill 2809 as originally drafted which would exempt the payment of tax fuel which has been permanently dyed as identifying the fuel for non-highway use. Fuel which is not used on the highways is, by statute, exempt from motor fuel taxes and any tax paid would subsequently need to be refunded.

Nationally there is tremendous concern over the amount of motor fuel tax evasion. State motor fuel taxes represent approximately 25% of the revenues available to the Department. Because of the importance of motor fuel taxes as a revenue source, the agency is also concerned with the potential for motor fuel tax evasion at any level.

The Department has serious concerns about any legislation which would tend to weaken the Department of Revenue's ability to efficiently and effectively enforce the motor fuel statutes. The Department of Revenue has indicated to us that the amendment to Section 1 paragraph (e) of H.B. 2809, which exempts from the reporting process transactions in dyed fuel, would impair their ability to enforce the motor fuel statutes on special fuels. As such, we would oppose the passage of the H.B. 2809 as currently amended.

STATE OF KANSAS

Brett Robinson Director  
Robert B. Docking State Office Building  
915 SW Harrison Street  
Topeka, Kansas 66625-0001



(913) 296-3044  
FAX (913) 296-7928

MOTOR FUEL TAX (913) 296-2411

Department of Revenue  
*Division of Taxation*

TO: The Honorable Ben E. Vidricksen, Chairman  
Senate Transportation and Utilities Committee

FROM: Dedra Platt, Administrator Kansas Department of Revenue

Date: March 14, 1994

RE: House Bill 2809, as Amended by House Committee

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House Bill 2809 as Introduced exempts from state special fuel tax the sale or delivery of special fuel, dyed according to IRS regulations under 26 U.S.C. 4082, when used only for nonhighway purposes. The Amendment by House Committee exempts distributors from reporting transactions of the dyed special fuel when used for nonhighway purposes.

Passage of this bill with the House amendment would have an indeterminate, but negative effect on the State Highway and Special City and County Highway Funds, beginning in Fiscal Year 1994.

From July 1, 1993 through January 31, 1994, diesel fuel receipts are up 32% (\$9.2 million) over the same seven-month period in FY 1993 (\$38.2 million over \$29.0 million). This is exceeding the original consensus estimate for total FY 1994 of a 12% increase, and the revised estimate of 20%.

The current increase is since the change in point of taxation of diesel fuel on July 1, 1993. FY 1994 consensus estimates were based on the assumption that changing the point of taxation would increase receipts. The change in point of taxation requires the reporting of exempt and taxable diesel sales, thus making diesel reporting the same as that of gasoline and gasohol. It is not known how much fuel might have been incorrectly classed as nonhighway prior to July 1, 1993, or how much of the increase might be a result of tightened reporting requirements this fiscal year. The current reporting requirements on diesel fuel allow the Department to track and monitor the receipts, sales and deliveries of exempt and taxable fuel, encouraging tax compliance. The House Amendment would remove these reporting requirements, reverting essentially to those in effect prior to July 1, 1993.

The Department respectfully requests that the House Amendment to HB 2809 be stricken. Based on federal government fuel-dyeing requirement information and on temporary regulations currently adopted, the Department believes the adoption of the dyeing exemption in the Kansas statutes would reduce industry burden and confusion and promote compliance.

ATTACHMENT 7

SEN. TRANS. 3/14/94



Junior F. Elder, State Director for Kansas, Selective Service System, appearing in favor of House Bill No. 2805.

The Military Selective Service Act requires the Selective Service System to maintain a list of males 18 thru 26 years of age with the exception of those who are on active duty with the armed forces or are in the service academies. A young man has a 60 day time frame in which to register...30 days prior to and 30 days after his 18th birthday. We rely primarily on public service announcements (PSA) through the news media (print, radio and TV), communications with our Kansas high schools and with employers of teenagers to get our message to the affected young men. PSA's are furnished on a regular basis to the various news media however their "use" is often determined on the basis of space available. Unfortunately hundres of our young men do not get the message because they were not present at scheduled school assemblies, did not "hear" the message or heard but did not heed..."put it off until tomorrow". Drop-out lists from high schools are not always available because their disclosure is subject to local interpretation and more often not provided upon request.

Prior to July 1991 we purchased the drivers license lists from the Director of Motor Vehicles (DMV) for the cost of reproduction. The 1992 amendments to Sec 74-2012 "priced" us out of the market at the stated \$2.00 per request. Records acquired through the DMV tapes were matched to our tapes to determine who was not registered. We then mailed what I will refer to as the "Mail-Back" (exhibit A) to those not registered and if necessary later followed with a "compliance letter" (exhibit B). The resulting statistics reveal how important the DMV lists have become, i.e., 698,576 or 31.02% of the total national registrations were as a consequence of the "mail-back" in 1989; 713,111

ATTACHMENT 8

SEN. TRANS. 3/14/94

8-1



or 31.40% in 1990; 780,693 or 36.93% in 1991; 723,236 or 36.30% in 1992; 765,336 or 38.90% in 1993 and 59,272 or 44.95% already in 1994. The "compliance letter" accounted for 349,969 or 15.54% of the total national registrations in 1989; 400,793 or 17.65% in 1990; 303,741 or 14.37% in 1991; 286,720 or 14.39% in 1992; 317,879 or 16.16% in 1993 and 21,730 or 16.48% in 1994. The two methods represent 46.56% of the totals in 1989; 49.04% in 1990; 51.29% in 1991; 50.69% in 1992; 55.06% in 1993 and 61.43% in 1994.

Suffice to say that "dependency" on the DMV tapes has steadily increased on a national basis whereas Kansas has witnessed a steady decrease because the data received on our last tape has expired. Further, the overall cost has decreased during the same time frame. Kansas is the only state from which we do not currently receive DMV tapes resulting in the decline reflected in exhibit C. Exhibits D and E likewise reflect the result of securing the DMV tapes from the states of Montana and Nebraska.

For your information exhibit F discloses "how the government uses this information"...of particular significance to you as legislators might be the use the Department of Health and Human Services uses in determining certain information in the location of fathers pursuant to the Child Support Enforcement Act.

An overriding consequence of failure to register may well surface in later years when applying for employment with the federal government and some states when the noncomplier is prevented from securing employment with these agencies, getting job training or financial aid for higher educational pursuits.

Let me conclude by stating that it is our motive to maintain as complete a list of 18 thru 26 year olds as is humanly possible...if the flag goes up and we are called upon to deliver "x" number of men for duty in the armed forces, we can do so with a degree of satisfaction that we have maintained an accurate list from which the "selective process" will proceed.

Thank you for your time and consideration; if you have questions I am available and willing to respond...again thank you!!

Junior F. Elder  
State Director, Kansas  
Selective Service System  
5133 SW Brentwood Rd  
Topeka, KS 66606-2211  
(913) 272 6866

# Men are required to register with the Selective Service System within 30 days of reaching their 18th birthday.

## 1. Why it's important to register.

Through registration, our country maintains a list of names and addresses of young men 18 through 25 years of age for use in the event of a mobilization. It is not a resumption of the draft.

## 2. The potential benefits.

Federal and some State laws require registration-age men applying for certain benefits (such as student financial aid, government employment, and job

training) to be registered with Selective Service (except those determined by Selective Service to be exempt from the requirement). In addition to being subject to prosecution, failure to register may cause you to permanently forfeit eligibility for these benefits, as men cannot register after reaching age 26.

## 3. The potential penalties for not registering.

Young men who are convicted of failure to register may be fined up to \$250,000, imprisoned for up to five years, or both.

## 4. The quick, easy way to comply.

If you have not registered, read this mailer. Then complete, affix proper postage, and mail the attached registration form.

If this mailer doesn't apply to you, please pass it on to a friend or relative who may be required to register.

**Act today.  
It's quick. It's easy.  
And it's the law.**

# A Registration Reminder:

**Men who are age 18 through 25 are required to register if they have not already done so.**

1. Within 90 days after registering, you should receive a registration acknowledgment from Selective Service which will provide you with a copy of your registration record SAFEGUARD THAT DOCUMENT since it will serve as official proof of your registration. If you do not receive a registration acknowledgment within 90 days after registering, it is very important that you write to the address

below, or call 708-688-6888 to verify that your registration has been received.

Selective Service System  
Registration Information Office  
P.O. Box 94638  
Palatine, IL 60094-4638

2. Once you register, the law also requires you to keep Selective Service informed of your address changes so mail can reach you without delay. You can inform Selective Service of an address change by writing to the address mentioned in #1, or you may go to any Post Office for a Change-of-Information Form (SSS Form 2), fill it out and mail it free of charge.

# How to complete this form:

1. Read the Privacy Act Statement.
2. Print all entries except your signature clearly in ink.
3. Print your date of birth in Block 1. Use a three-letter abbreviation for the month and numerals for the day and year (Example: OCT 29, 1967).
4. Check the correct box in Block 2.
5. If you have a Social Security Account Number, it is mandatory that you include it in Block 3. Otherwise, leave this block blank.
6. Print your full legal name in Block 4 in the order listed. Include any suffix (II, III, or Jr.).
7. Print your current mailing address in Block 5 and include ZIP Code.
8. Print your permanent mailing address in Block 6 and include ZIP Code. If it is the same as your current mailing address (Block 5), leave this block blank.
9. Print your telephone number in Block 7.
10. Print today's date in Block 8 and sign your name.
11. Tear off the Registration Form from this mailer, affix proper postage, and mail.

TEAR OFF THIS PORTION BEFORE MAILING

SELECTIVE SERVICE SYSTEM  
BOX 94733  
MOUNTAIN VIEW, IL 60094-4733

United States Government  
SELECTIVE SERVICE SYSTEM



January 8, 1982  
431-35-6054

45065313R C11

|||||

LINDSAY CALVIN JOHNSON  
RT 1 FALL BRANCH RD  
BLOUNTVILLE, TN 37617-4413

Dear Mr. JOHNSON:

Our records identify you as a man who may be required to register with Selective Service, but has not done so. You may register, or indicate you are registered, by completing Section A of the enclosed Registration Status Form. If you believe you are not required to register, complete Section B of the form and provide supporting evidence. Please verify and, if necessary, correct all information on the form. Sign and date the form and return it to us in the enclosed envelope within 10 days.

Refusal to register with Selective Service is a Federal crime punishable by a fine and imprisonment. Men who refuse to register may be unable to obtain U.S. citizenship, and are not eligible for certain Federal benefits, such as job training, student financial aid and government employment. Registration protects that eligibility. Our objective is to register you, not to have you prosecuted.

If you need help in completing the form, or have questions about registering, phone us at: 1-708-688-6888.

Sincerely,

*G. H. Banister*

G. H. BANISTER  
Executive Director

Enclosures

EXHIBIT "B"





# REGISTRATION STATUS FORM

INSTRUCTIONS: PLEASE PRINT CLEARLY.

431356054-JOHN  
C11 OTNO  
010882

- READ THE PRIVACY ACT STATEMENT ON THE BACK OF THIS FORM.
- REVIEW ITEMS 1-6, ENTER MISSING DATA, CORRECT ANY PRE-PRINTED INFORMATION THAT IS IN ERROR.
- CHECK ALL APPROPRIATE BOXES AND SIGN AND DATE THE FORM BELOW.
- RETURN ENTIRE FORM, COMPLETED AND SIGNED, IN THE ENCLOSED ENVELOPE WITHIN 10 DAYS OF RECEIPT

TO: SELECTIVE SERVICE SYSTEM  
PO BOX 94633  
PALATINE, IL 60094-4633

## PERSONAL INFORMATION: COMPLETE OR CORRECT AS NECESSARY

1. DATE OF BIRTH: 05-16-61 2. SOCIAL SECURITY NUMBER: 431-35-6054
3. TELEPHONE NUMBER: 501 4232684  
(AREA CODE) (NUMBER)
4. NAME: LINDSAY CALVIN JOHNSON  
(FIRST) (MIDDLE) (LAST) (JR, II, ETC.)
5. CURRENT MAILING ADDRESS: RT 1 FALL BRANCH RD  
BLOUNTVILLE, TN 37617
6. PERMANENT MAILING ADDRESS:

## SECTION A-REGISTRATION

CHECK APPROPRIATE BOX AND SIGN AND DATE THE FORM IN THE DESIGNATED AREA BELOW.

- ☐ **REGISTER ME** WITH SELECTIVE SERVICE. I HAVE NOT REGISTERED PREVIOUSLY.
- ☐ **I REGISTERED** ON \_\_\_\_\_ (MONTH) \_\_\_\_\_ (YEAR) IN \_\_\_\_\_ (CITY/STATE).  
MY SELECTIVE SERVICE NUMBER IS \_\_\_\_\_

## SECTION B-EXEMPTION STATEMENT

BELOW ARE THE **ONLY CONDITIONS** EXEMPTING A PERSON FROM THE REGISTRATION REQUIREMENT. IF YOU FEEL YOU ARE EXEMPT, PLACE AN X IN THE APPROPRIATE BOX(ES) AND SUBMIT THE REQUIRED PROOF SO THAT WE MAY DECIDE WHETHER TO REMOVE YOUR NAME FROM OUR LIST OF POSSIBLE NONREGISTRANTS. WHEN SUBMITTING PROOF, SEND **COPIES ONLY**. DOCUMENTS WILL NOT BE RETURNED.

- ☐ I AM A FEMALE. ☐ I AM NOT AGE 18 THROUGH 25.  
(ATTACH COPY ONLY OF BIRTH CERTIFICATE OR SIMILAR DOCUMENT)
- \*☐ I AM CURRENTLY ON ACTIVE DUTY IN THE U.S. ARMED FORCES, INCLUDING THE U.S. COAST GUARD, OR AS A COMMISSIONED OFFICER IN THE PUBLIC HEALTH SERVICE OR NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION; OR ATTENDING A MILITARY SERVICE ACADEMY (OTHER THAN MERCHANT MARINE ACADEMY); OR ENROLLED IN AN OFFICER PROCUREMENT PROGRAM AT THE CITADEL, NORTH GEORGIA COLLEGE, NORWICH UNIVERSITY, OR VIRGINIA MILITARY INSTITUTE. (ATTACH COPY OF DD FORM 4, OR EQUIVALENT, OR A LETTER FROM YOUR SCHOOL ATTESTING TO YOUR ENROLLMENT)
- ☐ I AM A NON-IMMIGRANT ALIEN LAWFULLY ADMITTED IN THE UNITED STATES UNDER SECTION 101 (a) (15) OF THE IMMIGRATION ACT (VISA). (ATTACH COPY OF INS FORM I-94, I-95A, BORDER CROSSING DOCUMENT I-185, I-186, I-586, OR A TRUST TERRITORY I.D.)
- \*☐ I AM CONFINED IN A ☐ MEDICAL/MENTAL OR ☐ PENAL INSTITUTION. (ATTACH STATEMENT SIGNED BY AN INSTITUTION OFFICIAL GIVING NAME AND ADDRESS OF FACILITY AND ENTRY DATE AND ESTIMATED RELEASE DATE)

\*REGISTRATION IS ENCOURAGED BECAUSE IT PROTECTS YOUR ELIGIBILITY FOR CERTAIN BENEFITS/JOBS.

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS ACCURATE AND COMPLETE.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

ACCOMPANIES EXHIBIT "B"

## 22% Decline in Percent of Men Registered Since Last DMV Tape Processed in July 1991

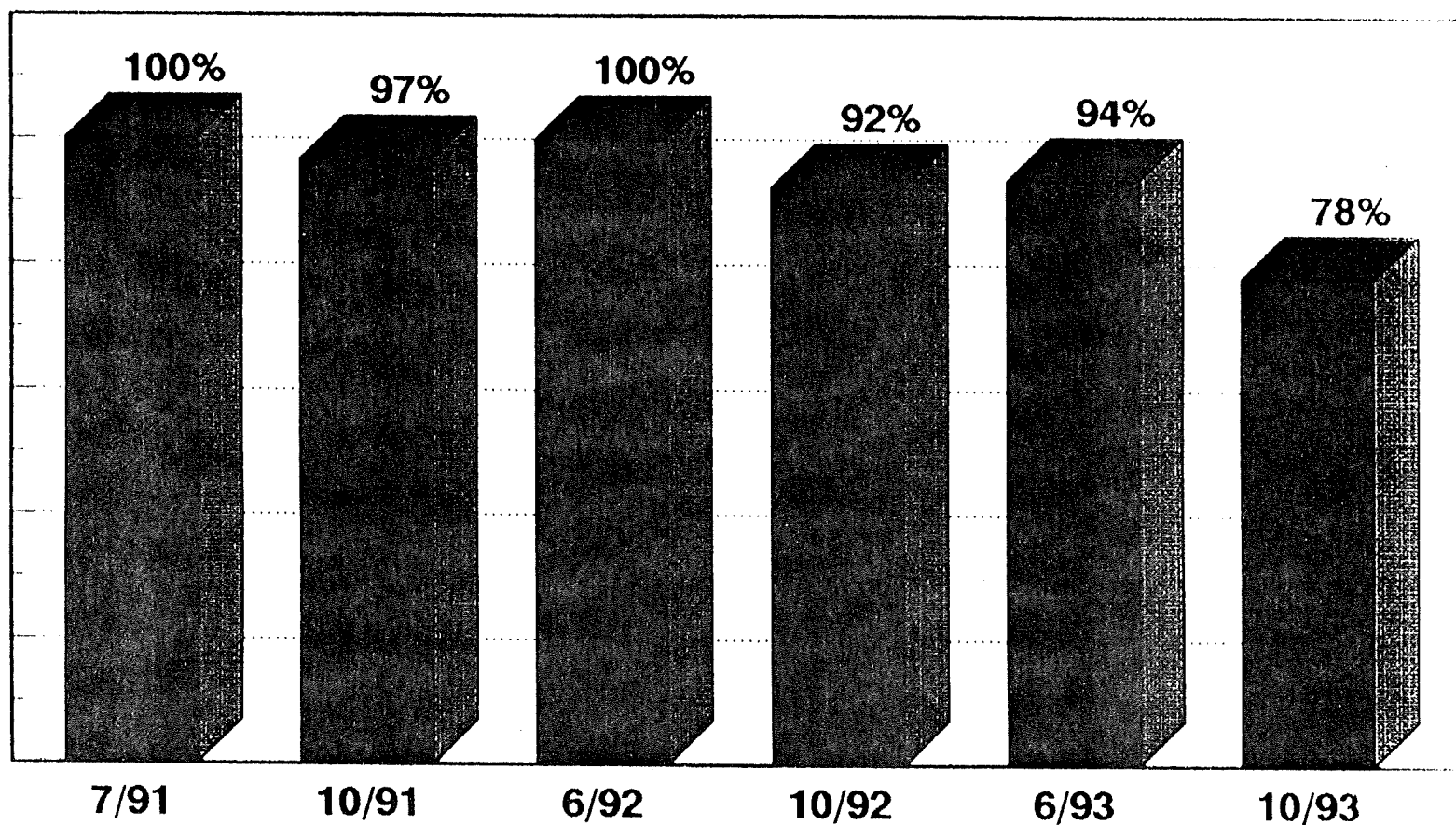


EXHIBIT "C"



# Nebraska DMV List Acquisition

First DMV Data Received December 1987

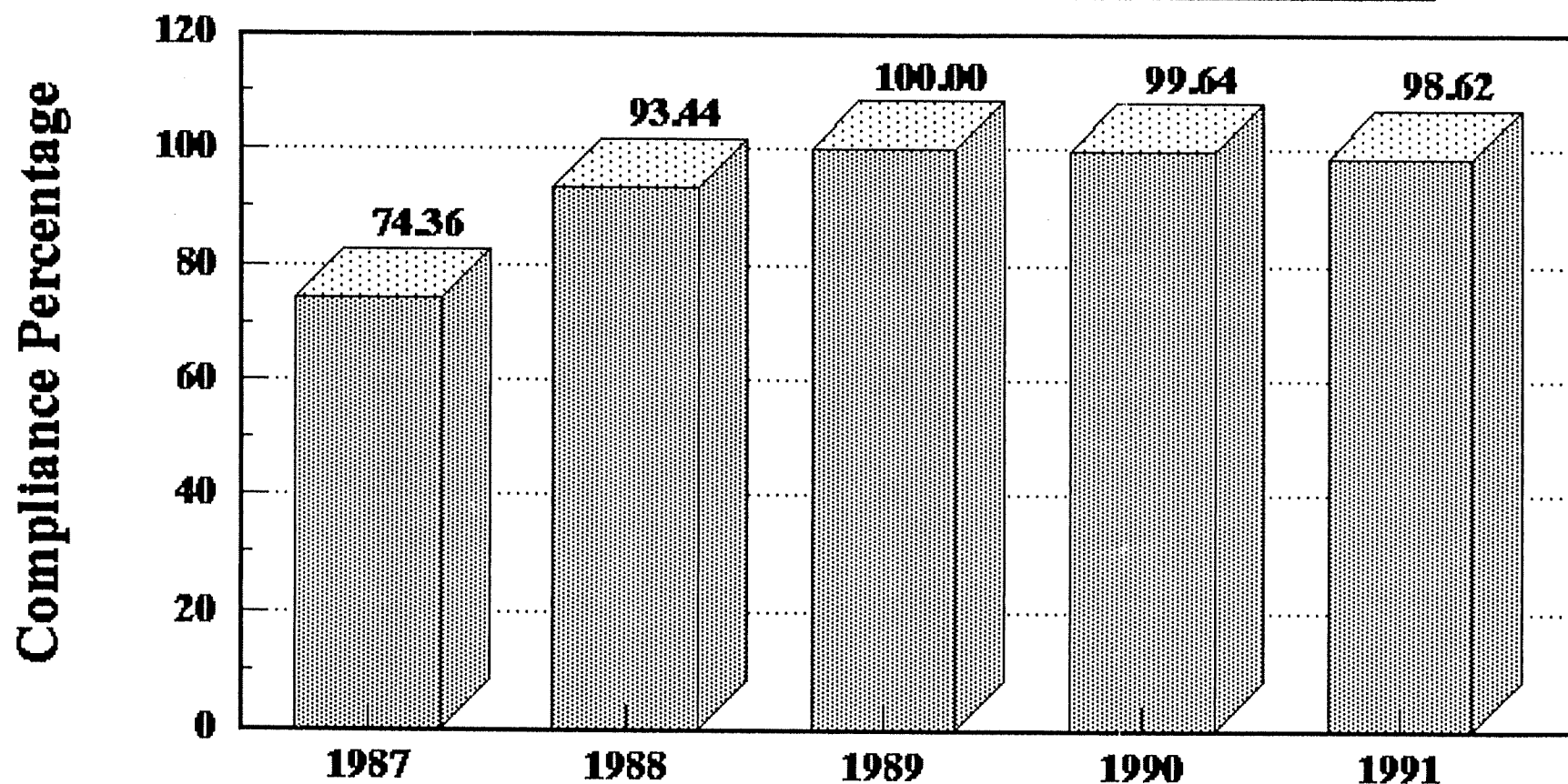


EXHIBIT "D"

# Montana DMV List Acquisition

## First DMV Data Received in December 1989

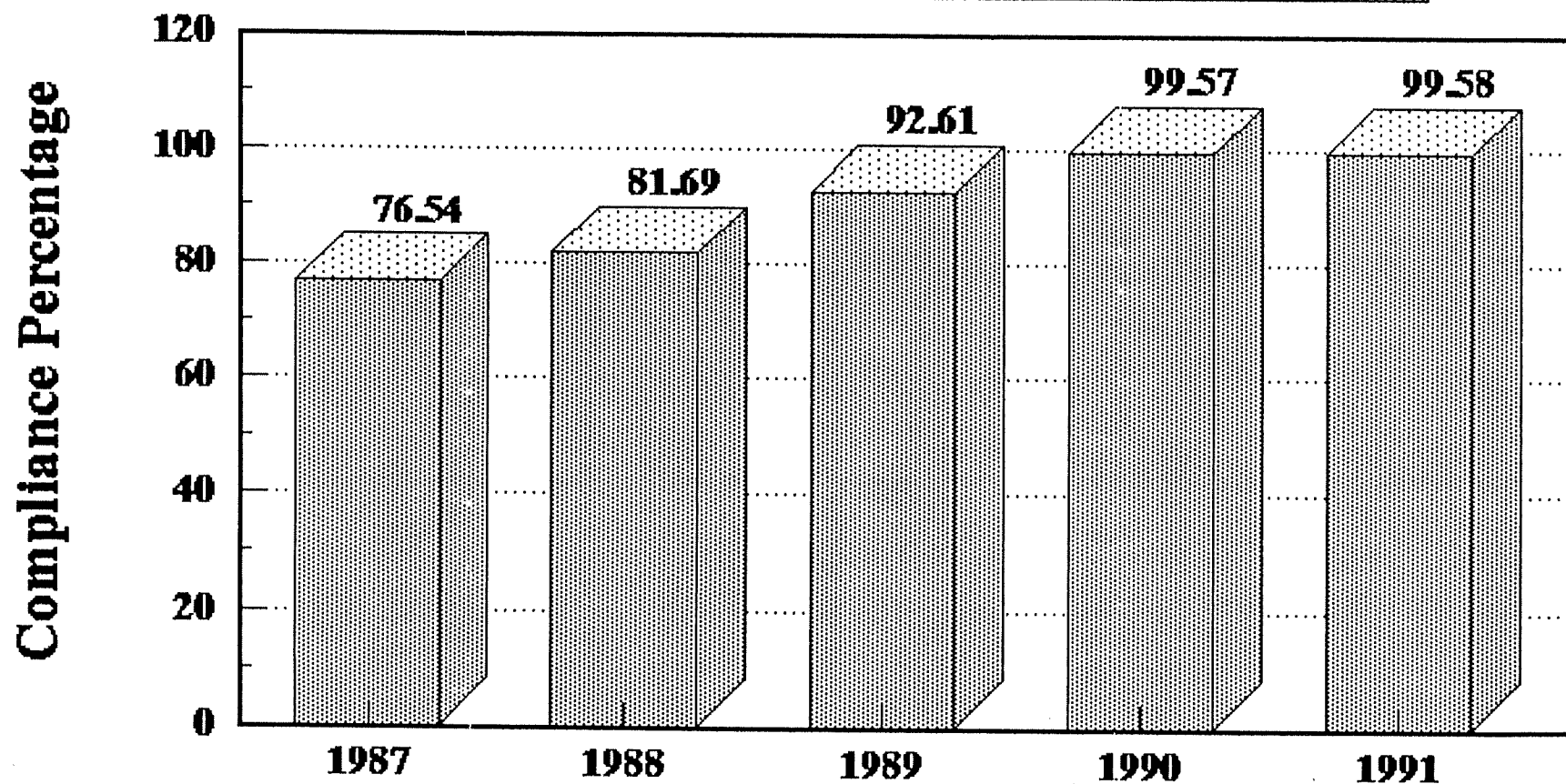


EXHIBIT "E"



# How the Government uses this information

## PRIVACY ACT STATEMENT

The Military Selective Service Act and pursuant regulations, and the President's Proclamation on Registration require that you provide the indicated information, including your Social Security Account Number. The principal purpose of the required information is to establish or verify your registration with the Selective Service System. This information may be furnished to other government agencies for the stated purposes on a selective basis.

Department of Justice — for review and processing of suspected violations of the Military Selective Service Act, or for perjury, and for defense of civil action arising from administrative processing under such act.

Department of State & Immigration and Naturalization Service — for collection and evaluation of data to determine a person's eligibility for entry/re-entry to the United States and for United States citizenship.

Department of Defense & U.S. Coast Guard — for exchange of data concerning registration, classification, induction, and examination of registrants and for identification of prospects for recruiting.

Department of Labor — to assist veterans in need of data concerning reemployment rights and for determination of eligibility for benefits under the Job Training Partnership Act.

Department of Education — for determination of eligibility for student financial assistance.

Office of Personnel Management & U.S. Postal Service — for determination of eligibility for employment.

Department of Health and Human Services — for determining a person's proper Social Security Account Number and/or for location of fathers pursuant to the Child Support Enforcement Act, and for determination of eligibility for health education assistance loans.

State and Local Governments — to provide data which may constitute evidence and facilitate in the enforcement of state or local law.

Alternative Service Employers — for exchange of information with employers regarding a registrant who is a conscientious objector for the purpose of placement and supervision of performance of alternative service in lieu of induction into military service.

General Public — Registrant's name, Selective Service Number, date of birth, and classification. Military Selective Service Act, Section 6, 50 U.S.C. App. 456.

Failure to provide the required information may violate the Military Selective Service Act. Conviction for such a violation may result in imprisonment for up to five years and/or a fine of not more than \$250,000.

EXHIBIT "F"

TEAR THIS PORTION OFF BEFORE MAILING

FPI-PET