



WALLACE COUNTY

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To: Chairman Mike Peterson and Members of the Kansas Senate Transportation Committee

From: Christine Smith, Wallace County Treasurer

Date: Tuesday, February 11, 2025

Re: SB 119 – Proponent Testimony

Chairman Peterson and Transportation Committee Members:

Thank you for the opportunity to provide testimony on behalf of Wallace County and the Kansas County Treasurer's Association. I know firsthand how very limited time is during legislative session and appreciate the chance to share with you some key considerations that fully support the passage of SB 119.

In our roles as Kansas County Treasurers, we operate as agents of the State of Kansas, providing the mandated services of titling and registering vehicles for our constituents. Due to significant revenue shortfalls, most counties are supplementing these services through the use of Ad Valorem tax dollars.

In 2014, through the implementation of the MOVRS title & registration system, work previously completed by the state was transferred to the counties. With this reduction of state services to the public:

- Kansas Counties took on the role of title approval, a process that requires higher clearance and much more attention to detail. The funding of additional staff and training has been necessary for counties to complete this underfunded work.
- Kansas Counties became responsible for the purchase and maintenance of compatible equipment required to complete the state's work. After the Department of Revenue's equipment refresh in 2016, the state no longer provides the necessary equipment. However, they do provide a list of specs that we are strictly asked to follow when replacing our computers, scanners, printers, and signature pads. These expenses are quite costly and most often funded by local, Ad Valorem tax dollars.

Counties are permitted to keep a small portion of the dollars brought in, as compensation for work processed. However, these amounts are based on statute and the number of transactions completed. As a small county, the funds we retain in Wallace County do not come close to covering even half of one employee's wages. Fee increases in statute have been very limited over the years; An increase of \$2.00 was provided in 1982, which was later followed with an increase in the county service fee of \$2.00 more in 2007. The ever-controversial facility fee was introduced in 2013. Wallace does not utilize this, as our only office is located within the public's courthouse.

A lack of revenue along with the need for continued services has forced our county, and many others, to levy funding for these ***state services*** within the County General Fund. Inflation has exacerbated these losses. **Data provided by county treasurers indicates that Kansas Counties are subsidizing nearly 13 million dollars of state work.**

SB 119 will reallocate fees collected on motor vehicle services, providing additional and relevant revenue for counties without any type of fee increase to customers. This reallocation will create additional revenues of \$5.00 on each registration and title transaction for a TOTAL of \$5.75 per registration and \$7.00 per title processed. With the proposed fee structure outlined in SB 119, 70% of all counties would have the costs of their motor vehicle operations covered.

Property tax relief is extremely important to counties and a top concern for both us and our public. Through the passing of SB 119, motor vehicle operations can be funded through fees, not Ad Valorem tax dollars, thus lightening the burdens our taxpayers feel.