

Motor Carrier Services Bureau
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Nick Jordan, Secretary
Donna Shelite, Director

Sam Brownback, Governor

TO: Chairman Hayzlett
Members of the House Transportation Committee

FROM: Deann Williams, Bureau Chief, Motor Carrier Services, Kansas Department of Revenue

DATE: February 9, 2012

RE: House Bill 2557

Mr. Chairman and members of the House Transportation Committee:

I am Deann Williams, Bureau Chief, Motor Carrier Services, Kansas Department of Revenue and appear here today in **support** of House Bill 2557.

KDOR, KMCA and the Kansas County Treasurers Association worked cooperatively to bring forward this legislation that will allow for economic growth in Kansas, level the playing field for operators of commercial vehicles and bring efficiencies in state government.

All commercial vehicles registered in Kansas will continue to pay a Registration Fee as well as the Commercial Vehicle Fee in lieu of the motor carrier property tax

The Commercial Vehicle Fee is based on registered weight. **All** commercial vehicles being registered in Kansas will pay the Commercial Vehicle Fee based on the registered gross vehicle weight of their vehicles. Registration and Commercial Vehicle Fees are transferrable. Commercial Vehicle Fleets will be allowed to pay the combined registration fee on a quarterly basis.

The Commercial Vehicle Fee for intrastate vehicles will be retained by the county in which the vehicle has tax situs. The Commercial Vehicle Fee collected for a Kansas based apportioned motor carrier will be distributed back to the county in which the company has tax situs. For non- Kansas based motor carriers the Commercial Vehicle Fee will be deposited to the state general fund and credited to the city county highway fund.

Intrastate commercial vehicles will receive a "Commercial" tag and commercial vehicles that travel interstate will continue to receive an "Apportioned" tag.

With the elimination of the Motor Carrier Property Tax, the motor carrier will no longer be required to show proof that the property tax has been paid prior to registration. Compliance issues will be greatly reduced; the confusion of interstate commercial vehicles with Apportioned registration and being assessed at the County will be eliminated.

The streamlined process will reduce the administrative burden for the motor carrier, county and state.

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