



Kansas County Treasurers Association

To: Chairman Mike Petersen and members of the Kansas Senate Transportation Committee

From: Christine Smith, Wallace County Treasurer & President, Kansas County Treasurers Association

Re: SB 90 – Proponent Testimony

Date: Thursday, February 16, 2023

Chairman Petersen and members of the Kansas Senate Transportation Committee:

Thank you for the opportunity to provide testimony on behalf of Kansas County Treasurers Association and Wallace County. I understand that time during session is very limited and appreciate the chance to share some key considerations that fully support the passage of SB 90, which passed the Kansas House 114-6 during the 2022 session.

A group of legislators, county treasurers, and employees from Kansas Department of Revenue worked together and identified specific issues within the current motor vehicle fee structure. Through this collaboration and several years of work, enhancements have been identified to modernize and improve the motor vehicle fee structure. **SB 90 is the culmination of these efforts.**

SB 90 was drafted with two key priorities in mind.

First, there is a drastic need to simplify the current motor vehicle fee statement. With the number of fees and listed on the current fee statement, the existing model is **difficult for customers to understand**. The current structure does not differentiate the distribution of the dollars paid, which is confusing for customers. This leads customers to assume that all dollars remain at the county level. When in actuality, most of these fees are sent to the State of Kansas.

The new fee model outlined by SB 90 provides for the breakdown of all fees, allowing customers to differentiate exactly where their dollars are being sent. **The new motor vehicle statements will be more streamlined, transparent, and user friendly for the public.**

The second area of concern was financial sustainability. County offices only retain a small portion of transaction fees for processing motor vehicle transactions. By statute, these dollars are to be used specifically for expenses relating to the operation of motor vehicle offices, including but not limited to utilities, office rent, meeting/training travel expenses, equipment, salaries, benefits, and other miscellaneous expenses that aid in the processing of these transactions.

Since 2016, I have watched revenues in my county waiver slightly, while the costs attributed with the motor vehicle office climb, and most recently – skyrocket. With annual deficits of nearly \$130,000.00, it has been necessary for Wallace County, and a majority of others, to budget for all motor vehicle expenses within the county's general fund, thus levying ad valorem tax dollars to aid in providing this state service.

SB 90 permits an increase in county fee revenue, **allowing for responsible financial sustainability for our county offices.** With the rising costs of staff, equipment, other related expenses, offices will be more adequately equipped to fulfill their responsibilities to the public, without requesting increases in levied tax dollars through their county's general fund. With the included elimination of the DMV Modernization Fee, this

can occur without an increase for the customer. This bill actually provides an average decrease of \$2.36 per transaction, thus providing a unique opportunity for legislators to assist local government without negatively affecting taxpayers.

Thank you for your thoughtful consideration of SB 90. Our motor vehicle offices work hard to provide outstanding service and customer education, even under financial constraints. The passage of SB 90 would greatly assist in providing our motor vehicle customers the transparency they continually request and the financial sustainability our offices greatly need.

Respectfully submitted,



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