



Prepared for the

House Transportation
Committee

February 21, 2019

1:30 p.m.

582-N

KANSAS COUNTY TREASURER'S ASSOCIATION

Testimony - House Bill 2180



Haskell County Case Study

- Current Fee Model Does Not Support Counties

Collections 1-1-2016 to 12-31-2016	Total Revenue	County Revenue	County Percentage	State Revenue	State Percentage
Motor Vehicle Property Tax	\$463,836	\$184,279	39.73%	\$7,140	1.54%
Commercial Motor Vehicle Fees & International Registration Plan	\$87,599	\$40,867	46.65%	\$1,583	1.81%
Recreational Vehicle Property Tax	\$11,212	\$4,729	42.18%	\$214	1.91%
Motor Vehicle Fees	\$658,236	\$190,482	28.94%	\$467,754	71.06%



Haskell County	2018
Revenue	\$202,834
Expense	\$324,234
Difference	(\$121,400)

Average Motor Vehicle Fee Revenue Split

State = 85%

County = 15%



Riley County Case Study

- Current Fee Model Does Not Support Counties

Collections 1-1-2016 to 12-31-2016	Total Revenue	County Revenue	County Percentage	State Revenue	State Percentage
Motor Vehicle Property Tax	\$5,949,218	\$1,591,937	26.76%	\$79,978	1.34%
Commercial Motor Vehicle Fees	\$261,326	\$79,237	30.32%	\$3,978	1.52%
Recreational Vehicle Property Tax	\$52,368	\$14,478	27.65%	\$727	1.39%
Motor Vehicle Fees	\$2,526,863	\$382,392	15.13%	\$2,144,471	84.87%

RILEY COUNTY
KANSAS



Average Motor Vehicle Fee Revenue Split

State = 85%

County = 15%

Riley County	2018
Revenue	\$383,088
Expense	\$752,223
Difference	(\$369,135)



Johnson County Case Study

- Current Fee Model Does Not Support Counties

Collections 1-1-2016 to 12-31-2016	Total Revenue	County Revenue	County Percentage	State Revenue	State Percentage
Motor Vehicle Property Tax	\$92,564,239	\$21,658,257	23.40%	\$1,393,093	1.51%
Commercial Motor Vehicle Fees	\$2,026,789	\$442,740	21.84%	\$29,702	1.47%
Recreational Vehicle Property Tax	\$337,109	\$74,673	22.15%	\$4,985	1.48%
Motor Vehicle Fees	\$29,081,576	\$4,354,042	14.97%	\$24,727,534	85.03%



Johnson County	2018
Revenue	\$4,887,598
Expense	\$5,291,083
Difference	(\$403,485)

Average Motor Vehicle Fee Revenue Split

State = 85%

County = 15%



Working Group Members

Dan Goddard
Shannon Francis
Adam Lusker
Rich Proehl
Mike Petersen
David Harper
Deann Williams
KCTA Leadership

Meetings

August 28, 2018
November 8, 2018

Working Group Purpose

- March 2018: A working group was formed to further develop an understanding of the fee model at the County level.
 - Impacts of Rising Costs
 - Emerging Business Model
 - State-Required Equipment
 - Counties' Limited Ability to Improve Service Levels
 - Complexity of Current Fee Structure
 - Portion of Fees Retained by County
 - Negative Customer Experience



Complex Fee Structure

Portion of Fees Currently Retained by County

Fees and Transaction Types	Registration or License Fee	Reg Receipt Duplicate Fee	Repo Fee	Decal Replacement Fee	Plate Fee	Lien Holder Fee	60 Day Temporary Permit Fee	One Day Inspection Permit Fee	Secured Title Fee or Title Fee	County Service Fee	County Sales Tax Collection Fee	Facility Fee*
Add Security Interest						\$1.50			\$2.00			
Issue Permit 60 Day							\$0.75			\$5.00		
Issue Permit 1 Day								\$1.00				
Junking Certificate									\$2.00			
Order Special Plate										\$5.00		\$2.50-\$5.00
Registration Renewal	\$0.75									\$5.00		\$2.50-\$5.00
Replace Title									\$2.00			
Reprint Registration		\$1.00		\$0.50								
Salvage									\$2.00			
Title & Registration	\$0.75		\$3.00		\$0.75	\$1.50			\$2.00	\$5.00	\$0.50	\$2.50-\$5.00
Update Registration					\$0.75							\$2.50-\$5.00

Fees in red are not always charged depending on transaction

*County Treasurers may charge a Facility Fee not to exceed \$2.50 or \$5.00 depending on the number of locations



Receipt Example:
Current Title &
Registration
Transaction

Lack of Transparency

Crawford County Treasurer's Office
Motor Vehicle Division
PO Box 98
Girard, KS 66743

Statement Receipt: 16487629 - Paid

Customer Information
Name: CUSTOMER NAME
Address: CUSTOMER ADDRESS

Statement Information
Date: 7/26/2018 3:32:08 PM
Location: Crawford - Primary

Reference key(s):

Comment(s):

Additional Customers:
Name:
Name:

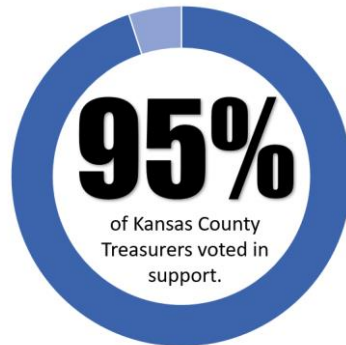
Transaction Information:

				Amount	
2004 CHEVROLET Tahoe, 1GNEK13Z94R174660					
Registration	STATE RECEIVES	\$29.25	COUNTY KEEPS	\$ 0.75	
Title Fee	STATE RECEIVES	\$ 8.00	COUNTY KEEPS	\$ 2.00	
Plate Transfer Fee	STATE RECEIVES	\$ 0.75	COUNTY KEEPS	\$ 0.75	
Plate Fee	STATE RECEIVES	\$ 0.00	COUNTY KEEPS	\$ 0.00	
KHP Staffing and Training Fee	STATE RECEIVES	\$ 2.00	COUNTY KEEPS	\$ 0.00	
Law Enforcement Trn Ctr Fee	STATE RECEIVES	\$ 1.25	COUNTY KEEPS	\$ 0.00	
DMV Modernization Fee	STATE RECEIVES	\$ 4.00	COUNTY KEEPS	\$ 0.00	
County Service Fee	STATE RECEIVES	\$ 0.00	COUNTY KEEPS	\$ 5.00	
Isolated Sales Tax	STATE RECEIVES	\$288.00	COUNTY KEEPS	\$ 0.00	
County Sales Tax Collection Fee	STATE RECEIVES	\$ 0.00	COUNTY KEEPS	\$ 0.50	
Motor Vehicle Property Tax	STATE RECEIVES	\$ 0.00	COUNTY DISTRIBUTES	\$69.03	
TRANSACTION TOTAL		\$411.28			
	STATE RECEIVES	\$333.25			
	COUNTY KEEPS	\$ 9.00			
	COUNTY DISTRIBUTES	\$ 69.03			
				Total Due:	\$ 411.28
Payment Information					
Payment Type	Customer	Cust. #	Payment #	Auth. #	Amount
Check	CUSTOMER NAME	123456	2925		\$ 411.28
				Total Tendered:	\$411.28
				Cash Back (Cash):	\$0.00



Working Group Recommendations

- Establish a flat fee structure that simplifies, creates transparency, improves the customer's experience and better supports the motor vehicle operation at the local level.



KCTA Membership Vote – Overwhelming Support

In June 2018, KCTA membership voted in favor of the recommendations.



Average increase
statewide: \$1.64
per transaction

Simplified Fee Structure

What does this look like to a customer?

Transaction Types	Total County Fees	Proposed County Fee	Customer Cost (+/-)
Add Security Interest	\$3.50	\$10.00	+\$6.50
Issue Permit 60 Day	\$5.75	\$10.00	+\$4.25
Issue Permit 1 Day	\$1.00	\$10.00	+\$9.00
Junking Certificate	\$2.00	\$10.00	+\$8.00
Order Special Plate	\$5.00	\$10.00	+\$5.00
Renewal (Electronic or Mail)	\$5.75	\$10.00	+\$4.25
Renewal - \$2.50 Facility Fee	\$8.25	\$10.00	+\$1.75
Renewal - \$5.00 Facility Fee	\$10.75	\$10.00	-\$0.75
Replace Title	\$2.00	\$10.00	+\$8.00
Reprint Registration	\$1.50	No Charge	-\$1.50
Salvage	\$2.00	\$10.00	+\$8.00
Title & Registration (T&R)	\$10.50	\$10.00	-\$0.50
T&R w/ \$2.50 Facility Fee	\$13.00	\$10.00	-\$3.00
T&R w/ \$5.00 Facility Fee	\$15.50	\$10.00	-\$5.50
T&R – Title Only	\$2.00	\$10.00	+\$8.00
T&R – Repo Title	\$5.00	\$10.00	+\$5.00
Update Registration	\$5.75	No Charge	-\$5.75



The flat fee would replace other fees the county retains including the facility fee

Improved Customer Experience

- Dramatically reduces complexity of County fee structure by eliminating or reducing fees found in statute.

Current County Fee Structure

Registration or License Fee
Duplicate Registration Fee
Repo Fee
Decal Replacement Fee
Plate Fee
Lien Holder Fee
60 Day Temporary Permit Fee
1 Day Inspection Permit Fee
Title Fee or Secured Title Fee
County Sales Tax Collection Fee
County Service Fee
Facility Fee



Proposed Flat
County Fee
Structure



Receipt Example:
Proposed Title &
Registration
Transaction

Creates Transparency

Crawford County Treasurer's Office
Motor Vehicle Division
PO Box 96
Girard, KS 66743

Statement Receipt: 16487629 - Paid

Customer Information		Statement Information	
Name:	CUSTOMER NAME	Date:	7/26/2018 3:32:08 PM
Address:	CUSTOMER ADDRESS	Location:	Crawford - Primary

Reference key(s):

Comment(s):

Additional Customers:

Name:

Name:

Transaction Information:			Amount
2004 CHEVROLET Tahoe, 1GNEK13Z94R174660			
State Fees			\$333.25
Registration Fees	\$20.25		
Plata Transfer Fee	\$ 0.75		
Title Fee	\$8.00		
KHP Staffing and Training Fee	\$2.00		
Law Enforcement Trn Ctr Fee	\$1.25		
DMV Modernization Fee	\$4.00		
Isolated Sales Tax	\$288.00		
County Fee	\$10.00		\$10.00
County Distributed Motor Vehicle Property Tax			\$69.03

			Total Due:	\$ 412.28
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Payment Information					
Payment Type	Customer	Cust. #	Payment #	Auth. #	Amount
Check	CUSTOMER NAME	123456	2825		\$ 412.28

				Total Tendered:	\$412.28
				Cash Back (Cash):	\$0.00



Flat Fee Revenue Estimates Sample Counties

In the example provided additional revenue assumes a \$10 flat county service fee on proposed transactions

2017 Estimated Population	County	Total MOVRS Transactions	Additional Revenue Estimates*
591,178	Johnson	620,410	\$1,112,734
513,687	Sedgwick	550,331	\$606,219
178,187	Shawnee	192,967	\$198,474
165,288	Wyandotte	165,299	\$193,082
120,793	Douglas	112,721	\$289,772
74,172	Riley	56,267	\$176,453
39,034	Crawford	42,127	\$121,450
32,556	Montgomery	37,315	\$124,251
22,159	Seward	23,898	\$78,302
20,145	Labette**	27,382	\$88,900
14,754	Bourbon	18,380	\$59,897
12,519	Allen	16,932	\$56,623
6,874	Wabaunsee	10,429	\$36,175
4,053	Haskell**	21,266	\$100,060
1,524	Wallace	3,392	\$11,919

* Revenue Estimates adjusted based on more detailed transaction breakout using secondary data sources and do not include antique or commercial vehicles.

** workload difference



State Fee Comparison

Kansas*	\$55.00
Missouri	\$54.75
Oklahoma	\$109.00
Colorado	\$109.92
Nebraska	\$57.10

*Kansas estimate includes the new county flat fee as proposed.

Impact of HB 2180

- ✓ Dramatically reduces complexity of County fee structure by eliminating or reducing at least 14 fees found in statute.
- ✓ Creates transparency for customers and reduces customer frustration.
- ✓ Creates a fee structure where the County no longer subsidizes duties performed for the State.
- ✓ With the passage of HB 2180, Kansas will maintain a lower than average cost to title and register a vehicle when compared to surrounding states.
- ✓ HB 2180 is not a tax increase.

KANSAS COUNTY TREASURER'S ASSOCIATION

Vernon Reinking
KCTA President
785-282-5170
sctreasurer@ruraltel.net

Nancy Weeks
KCTA Legislative Chair
620-675-2265
nweeks@unitedwireless.com

Steve Kearney
Kearney and Associates, Inc.
785-234-5859
steve@kearneyandassociates.com