

KANSAS CONTRACTORS ASSOCIATION



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Oakley, KS

VERN HOPKINS, Vice President
Salina, KS

TODD CARLILE, Treasurer
Liberal, KS

STAFF

BOB TOTTEN, Executive Vice President
KAREN WAGAMAN, Director of Marketing
NANCY DELGADO, Administrative Coordinator
KRIS DENTON, Bookkeeper

316 SW 33RD ST • PO BOX 5061
TOPEKA, KS 66605-0061

TEL (785) 266-4152

FAX (785) 266-6191

kca@ink.org

www.kansascontractors.org

DIRECTORS

CORKY BEACHNER
St. Paul, KS
KELLY BRIGGS
Manhattan, KS
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Towanda, KS
DAVID HOWARD
Topeka, KS
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Written Testimony

By the Kansas Contractors Association before the House

Transportation and Budget Committee

regarding HB 2137 and prepared by Bob Totten, Executive Vice President

March 6, 2013

The Kansas Contractors Association is opposed to the passage of HB 2137 which sunsets the vehicle registration fee. This vehicle registration fee is part of the funding program for T works and is estimated to generate \$12 million dollars a year to the state transportation fund.

For years, KDOT has relied on registration fees, federal dollars, bonds, gasoline taxes and a portion of the sales tax revenues to fund the state's road program. Only recently have registration fees such as the modernization fee been allocated to other agencies. We opposed such a move when the fee was begun however the previous Revenue Secretary said the money was needed for this overhaul of the vehicle modernization program and the legislature went along with her request.

Over the course of the T Works program, this fee which is destined for the

HOUSE TRANSPORTATION
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transportation program in July will provide \$112 million dollars for KDOT to finish the T Works program. Without the full funding of these fees; road and bridge projects will be cut and some of the 175,000 jobs to be created in the T Works program will go away. Some of those projects most likely will be in your area.

Jobs seems to be an important part of the state's economic growth and to cut back on highway jobs to save money seems incongruent to the overall efforts to keep our state in good economic shape. The highway program is the nexus in providing jobs for our Kansas citizens and it is the basis for our economic strength.

Studies after studies have shown that a dollar spent on highway construction provides \$5.40 cents in economic benefit. In addition, both KSU and KU studies have supported the contention that a million dollars spent on highway construction creates at least 47 jobs. When people have a job, then the worker can pay taxes and buy items which in turn allows others to pay taxes and things and in essence make the economy work.

We saw this when the 1989 highway program was passed and it was highlighted in a news report from US News and Reports. That article pointed out that Kansas was in better economic shape than surrounding states because of the 1989 highway program. We think that is happening with the present T Work program.

When the T works program was passed, I know I touted that the money generated from this fee would help fund the ten year program and I know many of the legislators who supported the program were well aware that these fees would be part of the mix when it came to transportation. Don't change the plan.

I urge you to reject the passage of HB 2137.