



TREASURER'S OFFICE

Shilo Heger
County Treasurer

110 Courthouse Plaza
Manhattan, Kansas 66502-0108
Phone: 785-537-6320
Fax: 785-537-6326

E-mail: sheger@rileycountyks.gov
Website: www.rileycountyks.gov

February 8, 2022

To: Representative Richard Proehl Chair of the House Transportation Committee

From: Shilo Heger, Riley County Treasurer

Re: Support of House Bill 2567

Representative Proehl and members of the House Transportation Committee thank you for allowing me to offer my testimony in support of House Bill 2567. I have had the pleasure of working on the committee that helped develop the concepts behind this legislation. Over the years we have collaborated with various County Treasurers, the Kansas Department of Revenue, and legislators on both House and Senate Transportation. The result is a bill that will simplify the motor vehicle fee structure, make the fees retained by the counties transparent to the customer, and will increase the revenues the county receives for performing this function on behalf of the State.

Currently, the motor vehicle structure is very complicated and has been pieced together over the years. On a basic title and registration application the fees are broken down as follows:

Fee	County's Portion	State's Portion	Total
Registration	0.75	29.25	30.00
Title Fee	2.00	8.00	10.00
Transfer Fee	0.75	0.75	1.50
KHP Training Fee	0.00	2.00	2.00
Law Enforcement Training Fee	0.00	1.25	1.25
DMV Modernization Fee	0.00	4.00	4.00
County Service Fee	5.00	0.00	5.00
Sales Tax	0.00	288.00	288.00
Sales Tax Collection Fee	0.50	0.00	0.50
Motor Vehicle Property Tax	0.00	69.03	69.03

In this example the County retains \$9.00 for the transaction, the State receives \$333.25, and the County distributes the property tax of 69.03 to the appropriate taxing entities. With the exception of the County Service Fee and the Sales Tax Collection fees all the other fees the county retains are built into the individual line items and are not transparent to the customer. This bill will eliminate all the individual fees the county retains within the transaction and will charge a flat and transparent \$10



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county service fee. The increase to the customer in this example is \$1.00. For a typical renewal the increase to the customer would be \$4.25.

The \$10.00 flat fee will also help reduce the amount of ad valorem tax dollars needed to support the motor vehicle operations within the county treasurer's office. In Riley County there are 13 employees that work 90% of the time on motor vehicle type transactions. In 2021 the motor vehicle operating fund was able to cover the salary and benefits of four employees along with some other miscellaneous office expenses with the fees generated by motor vehicle transactions. The general fund made up approximately **\$450,000** in salaries and benefits for the rest of the employees who perform motor vehicle transactions. The proposed fee change would have represented an estimated \$245,000 in additional revenues. The proposed fee change does not make Riley County whole, but it was important to the county treasurers we kept the fee consistent across all counties and this is the amount we settled on to help every county at least to some degree.

The treasurers across the state provide a very valuable service to their constituents. The proposed fee will allow us to continue to provide these services and cover them with fees paid by those motor vehicle customers. We have proposed a fee that is consistent across all counties, is transparent to the customer, and does not affect any revenues currently received by the State of Kansas. It is my hope you will support our efforts to reduce the amount of ad valorem taxes being used to subsidize the motor vehicle department by passing this bill. Thank you for your consideration.

Shilo Heger
Riley County Treasurer