



TESTIMONY, HB 2136
Presented by James R. Hanni,
for AAA Allied Group
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House Taxation Committee

AAA wishes to express its opposition to HB 2136 that diverts the dedicated 4/10 of a cent sales tax to the General Fund, for purposes other than originally intended as part of the comprehensive transportation plan adopted by the 2010 legislature. Fundamental to AAA's position on transportation funding is that once a designated taxation source has been planned into law, dedicated to meeting transportation needs, it should be protected from diversion to other uses.

Although Kansas has made progress in its two previous ten-year comprehensive transportation programs, much work remains to modernize and expand. AAA applauds the legislature for its steadfast commitment to transportation projects that help position the state to achieve Governor Brownback's economic growth plans and place the state at a competitive advantage to other states for growth in jobs and our Kansas economy. If not disturbed, the \$1.8 billion T-WORKS program will have a \$10 billion economic impact. However, redirecting the dedicated 4/10 of a cent sales tax to the State General Fund breaks faith with the public through its elected leaders.

We just received the results of a December, 2012 survey of Kansas AAA members, of which there are over 300,000 now. The survey has a sampling error of only +/-5 percent. When asked, "*how important is a well-maintained system of roads and bridges to you and your family's safety,*" Ninety-eight percent answered either very or somewhat important, with eighty-three percent who indicated, "very important." A similar response was received to the question, "*how important is a well-maintained highway system in Kansas to the development and vitality of the state's economy?*" Ninety-six percent answered either very or somewhat important, with seventy-two percent indicating, "very important."

Most important to this bill, AAA Kansas members were also asked, "*Kansas state sales taxes and fees were raised in 2010 to fund the current Kansas transportation program, known as T-WORKS. How important is it that revenue raised for this program is used to fund T-WORKS and not be used to fund other government programs?*" Again, ninety-six percent answered either very or somewhat important, with eighty percent indicating, "very important."

Each year since the 2010 plans and funding were approved, these dedicated funds have been raided for General Fund purposes. KDOT has determined that T-WORKS could still be delivered on time, yet this practice would continue in HB 2136. It is a practice that should not have begun and should not be continued, if for no other reason, it destroys legislative credibility with the public that when a source for funding is designated for transportation projects, it may or may not be used for the intended purpose.

Furthermore, if funds are diverted and either project costs increase or interest rates rise or both, how will T-WORKS be delivered on time? If the 4/10 sales tax remains dedicated and there are additional T-WORKS project savings to be realized down the road, those funds should be applied to additional transportation projects and needs beyond T-WORKS to further assist the Kansas jobs and economic growth engine. For example, ten percent of the 5,100 bridges on the state highway system remain structurally deficient or functionally obsolete, and dozens of important projects were unable to be included in the T-WORKS program.

With the views of AAA Kansas motorist members and these concerns in mind, we urge you to reject the diversion of the 4/10 sales tax to the General Fund in HB 2136 and vote against recommending it to the House.