



Testimony of the Kansas Association of Counties to the
House Committee on Taxation
Neutral for HB 2237 • February 7, 2017

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify on House Bill 2237, a comprehensive proposal regarding taxation in Kansas. KAC appears as a neutral conferee as our stance only relates to the provisions in Section 22 and 23 (page 33-34), which addresses the fuel tax and transportation. Much of HB 2237 bears little connection to county operations, and it is unfitting for KAC to address those tax policies. But our members have made support for transportation a clear priority in 2017, and we can speak to the importance of this issue. KAC and its members support funding the Special City and County Highway Fund, and we support the mechanism in HB 2237 to accomplish this goal.

From the county perspective, the key provision in HB 2237 reads as follows:

(b) On and after July 1, 2017, the tax imposed under this act shall be not less than:

- (1) On motor-vehicle fuels other than E85 fuels, \$.35 per gallon, or fraction thereof;*
- (2) on special fuels, \$.37 per gallon, or fraction thereof;*
- (3) on LP-gas, other than compressed natural gas and liquefied natural gas, \$.34 per gallon, or fraction thereof;*
- (4) on E85 fuels, \$.28 per gallon, or fraction thereof;*
- (5) on compressed natural gas, \$.35 per gallon, or fraction thereof; and*
- (6) on liquefied natural gas, \$.37 per gallon, or fraction thereof.¹*

The next section then directs the tax revenue to the State Highway Fund and the Special City and County Highway Fund.² The change would decrease the funding percentage for the city-county fund, and our preference is for the percentage to remain at the current 33.63%. With that in mind, it is essential for our infrastructure that we remain vigilant in supporting the transportation system.

KAC has two standing principles directly relating to transportation: (1) support planning and adequate funding for the state's transportation system and infrastructure needs; and (2)

¹ House Bill 2237, New Sec. 22 (2017).

² House Bill 2237, New Sec. 23 (2017).

support safe and reliable infrastructure while opposing legislation that speeds the decline of our roads and bridges. The recent state funding for transportation has accomplished neither of these goals, and we support this committee's efforts to help ensure our transportation system meets the needs of drivers.

Leading into the 2017 session, our counties added a specific priority to oppose further sweeping of transportation funding and a reemphasis on the need for "adequate and dedicated dollars to build and preserve our state's infrastructure."³ Section 22 and Section 23 help accomplish this goal. Admittedly, direct transportation funding may not happen immediately with more sweeps expected, but we need state policies that provide an opportunity to maintain what we have for infrastructure. While KAC cannot speak on the comprehensive nature of HB 2237, we ask you to support the elements that support transportation in Kansas.

Respectfully,



Nathan Eberline
Kansas Association of Counties

³ Kansas Association of Counties 2017 Policy Statement. Available at: www.kansascounties.org/DocumentCenter/View/2316.