

TREASURER'S OFFICE

Shilo Heger County Treasurer

110 Courthouse Plaza Manhattan, Kansas 66502-0108 Phone: 785-537-6320 Fax: 785-537-6326 E-mail: <u>sheger@rileycountyks.gov</u> Website: www.rileycountyks.gov

March 16, 2022

To: Senator Rick Billinger, Chair of the Senate Ways and Means Committee

From: Shilo Heger, Riley County Treasurer

Re: Support of House Bill 2567

Senator Billinger and members of the Senate Ways and Means 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. The fees the county retains for doing the work varies among transactions. Some of the fees are listed directly on the receipt, while others are embedded within the price of the title or the price of the registration. We are proposing a flat \$10 county service fee on most transactions. This would simplify the fee structure and the customer would know exactly what they are paying and to who. With this change and the proposed elimination of the \$4.00 DMV fee, the customer, on average, would see a decrease of \$2.37.

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