

Nancy Clubine
Montgomery County Treasurer
P O Box 767
Independence, Ks 67301
620-330-1100

TO: Senate Ways and Means Committee
Bill No. HB 2567

Chairman Billinger and Members of the Senate Ways and Means Committee, thank you for the opportunity to provide my testimony.

My name is Nancy Clubine and I am the Montgomery County Treasurer. I am here in support of House Bill 2567. I began my employment with the Treasurer's office in June 1980 and became County Treasurer in December 2004. When I started my job we typed title applications on a manual typewriter. The State started the VIPS program and in 2012 the State began the MOVRS (Motor Vehicle Registrations System) program. KCoVRS (Kansas Commercial Vehicle Registration System) was implemented in 2014. During my time in the office I have witnessed many changes.

The Motor Vehicle Office is not a county levied fund. Therefore, I must pay all expenses for the motor vehicle office from the fees we receive from processing vehicle transactions. For each transaction the motor vehicle office processes, we are allowed to retain a portion of the registration fee and a county service fee. For example, when we process a registration renewal, the registration fee is \$42.25. The county motor vehicle office retains \$5.75 and the fees passed on to the State are \$36.50. The fees that counties currently retain are not enough to cover the costs of running the office. Starting in January of 2021, the Montgomery County Commission agreed to supplement the motor vehicle office using property taxes (or general fund monies) in order to retain the number of staff already employed as we did not have enough in fees to cover the salaries and benefits.

There are two motor vehicle offices in Montgomery County. Our primary office is located in Independence and a satellite office in Coffeyville. Independence and Coffeyville have about the same population of approximately 9,000 people. The primary location serves mainly Independence, Cherryvale and the rural area of the north end of the county. The satellite office serves mainly Coffeyville, Caney and the rural area of the south end of the county. A facility fee is charged in the satellite office. Title & Registrations are \$3.00 per title and renewals are \$1.00 each. These fees help to offset utilities for the satellite office but are not enough. Each office has three employees. I need four employees in each office to provide adequate service. Currently we often have lines down the hall and out the door.

In May and June of 2021 all three motor vehicle employees in the Independence office resigned and went elsewhere. They left due to higher wages with local employers. This resulted in all patrons of the tag office having to use the satellite office in Coffeyville. This has caused a huge hardship on the three employees in Coffeyville as well as our customers.

Out of the motor vehicle operating fund, I pay the employees' salaries, withholdings and benefits, including health insurance. Additionally, I must purchase all of the office supplies necessary to operate the office, including paper and toner. In the past, KDOR allotted all counties funds for paper and toner. The allotment is no longer given to the county motor vehicle office. I pay for the postage the motor vehicle office uses and I must purchase any and all equipment in the office. This includes computers, printers, scanners, copy machine and other office equipment. In the past most of this equipment was provided by the State. This expense is now shouldered on the county level. These items are high dollar expenses and I do not have the funds to purchase or replace computer equipment.

The motor vehicle operating fund must remain in the black at the end of each year. Speaking from experience, if I have to reduce the number of staff it will be a hardship on our customers and staff. Therefore, I support House Bill 2567 which will increase the motor vehicle operating fund. The increase is much needed by county motor vehicle offices throughout the state.

I do support the amendment that was made to repeal the Modernization Surcharge of \$4.00 that goes to the Highway Fund. In repealing the \$4.00, on average, motor vehicle customers will experience a decrease in the overall amount they pay.

Thank you for the opportunity to testify and I respectfully ask for your support of House Bill 2567.

I will be happy to answer questions at the appropriate time.

Respectfully submitted,

Nancy Clubine
Montgomery County Treasurer