

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

KANSAS COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- The state taxes the sale of motor fuel at rates ranging from 17 to 26 cents per gallon according to the fuel type. About a third of the revenue generated by these taxes is appropriated to the Special City County Highway Fund that cities and counties share.

From Federal Funds:

- Counties receive approximately \$24 million from the federal Surface Transportation Program (STP) each year.
- Counties receive approximately \$4 million from the Federal High Risk Rural Roads (HRRR) Program each year.
- The Off-system Bridge Program receives about \$8 million each year.

From County Funds:

- Counties collect ad valorem personal property taxes on motor vehicles, using revenues for county transportation projects.
- Some counties collect a sales tax for roads, using revenues for county transportation projects. Counties must receive voter approval through a referendum to impose this tax.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Changing travel patterns put a strain on transportation funding. Travel patterns in the state are changing due to significant land development, a number of which are underway or planned in the region.
- Transportation needs in counties are inter-connected and individuals do not always identify with a county line as they are traveling. Many people don't spend their entire day in one city or even in one county. People routinely travel through more than one county in a single day for work, shopping, school or recreation.
- Eighty-eight (88) of the 105 counties are losing population, leaving less people to support the farm to market road system.

Share of County Owned Road Miles Out of Public Roads Statewide	81%
Share of County Owned Bridges Out of Public Bridges Statewide	74%
Share of Structurally Deficient Bridges Out of County Owned Bridges	13%

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	Counties have property tax rate limits only in school districts. Counties have revenue increase limits and expenditure limits.
Levy Personal Property Taxes	X	Motor vehicles are subject to ad valorem personal property taxes.
Levy Local Option Sales Taxes	X	Counties may levy a local retailers' sales tax with a rates up to 1%. Needs approval of a majority of voters in a referendum.
Levy a Local Gas Tax		
Charge a Motor Vehicle License or Registration Fee		
Form Special Districts for Transportation		

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- The Transportation Revolving Fund (TRF) is a revolving loan program designed to provide low cost, flexible financing for transportation projects, whether or not they are tied to Kansas Department of Transportation (KDOT) projects. Historically, the TRF has been an efficient way to use state highway fund dollars to fund local transportation improvements. A \$1 investment in the TRF from the state highway fund can fund up to \$5 in transportation projects. This leverage is created through the bonding process as well as the revolving nature of the program. Locals use the TRF to save on costs, start projects now and preserve statutory debt limits. The cost savings are realized through low administrative and low interest costs. Many locals prefer to start a project now, when costs are known, versus delaying a project and perhaps realizing an increase in costs due to inflation. Finally, the TRF is attractive to locals since a TRF loan does not count against a local government's statutory debt limit.
- Counties are doing more maintenance work in-house, rather than contracting out to save money.

BREAKDOWN OF COUNTY TRANSPORTATION FUNDING¹

County Share	70%
State Share	21%
Federal Share	9%

¹ This is an estimate based on information from Local Road Engineer, Kansas Association of Counties.