Kansas Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

Counties have authority to:

• Levy real property and personal property taxes.

• Submit a proposal for the enactment of a local retailers’ sales tax with a rate of 0.25 percent, 0.5 percent, 0.75 percent, or 1 percent. Implementation of the tax requires the approval of a majority of qualified voters in an election.

• Some counties have specific allowances in state law to establish rates higher than those noted above. Generally, counties allowed to implement higher rates also have specific statutory purposes toward which the extra revenues must be dedicated, some of which might be capital improvements, highway projects, membership in the metropolitan culture district, the establishment of redevelopment districts, solid waste management, and construction of courts and law enforcement facilities.

• Discretion to establish any taxes and fees other than license and permit fees that are necessary to generate enough revenue to maintain its general services.

Mandated/Authorized Transportation Services:

• Counties must maintain a county highway system for expedient transportation through the county; the county commission is charged with laying out, constructing, altering, maintaining, and operating county roads.

• The commission may additionally enter contracts for the maintenance and construction of 68 underpasses, bridges, and drainages.

• The county commission may establish public works department to oversee the county’s highways, including repairing and maintaining all roads.

• At the request of any incorporated city, the public works department may

take over city road maintenance as well.

• Counties have the authority to light streets outside of incorporated municipalities, either by entering a contract for the supply of electricity to streetlights or by creating a street light taxing district by petition of 51 percent of the residents of unincorporated towns or villages.

• If entering a contract, the county may charge assessments on property which benefits from the light. If creating a taxing district, then the county may tax the residents of the town or village at a rate sufficient to supply streetlights.

• The county commission may acquire and operate an airport. Such power includes the authority to levy taxes, issue bonds, establish a governing body, and operate the facility.

## **Funding Sources for County Transportation Projects:**

• The state taxes the sale of motor fuel at rates ranging from $0.17 to $0.26 according to the fuel type. About a third of the revenue generated by these taxes is appropriated to a local highway fund that cities and counties share.

• Motor vehicles are subject to ad valorem personal property taxes.

• Special City and County Highway Fund receives a portion of the motor fuel tax revenues, subsequent to refunds and a deposit of $3.5 million to the Kansas Qualified Agricultural Ethyl Alcohol Producers Incentive Fund, and all motor carrier property tax revenues. These revenues are distributed to the various cities and counties in the state for the financing of county roads and city street construction and maintenance.

• County Equalization and Adjustment Fund was created is to assure that after distribution of the receipts of the Special City and County Highway Fund, each county receives in total at least the amount received from that fund and this fund in fiscal year 1999.

• County sales tax for roads.

• Tribal transportation funding.

## **Challenges in Funding and Financing Transportation Projects:**

• Travel patterns are changing due to significant land developments. A number of land developments 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're 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.

## **Innovative Solutions to Funding and Financing Challenges:**

• 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 KDOT projects. Historically, the TRF has been an efficient way to utilize State Highway Fund dollars to fund local transportation improvements. In fact, a $1 investment 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 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 as a TRF loan does not count against a local unit of governments statutory debt limit.

• Counties are doing more maintenance work in-house, rather than contracting out to save money.