



Kingman County Commission

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Kingman County supports mortgage registration fee

The Kingman County Commission has passed a resolution urging the Kansas Legislature to retain the state's mortgage registration fee, which infuses money into the county's general fund and has been targeted for elimination by a pair of statewide organizations.

Prior to this week's convening of the 2014 session, the Kansas Bankers Association and the Kansas Association of Realtors announced their intent to push for legislation that would eliminate the one-time fee, which is collected at the time a mortgage is registered at the county courthouse. The fee is 26 cents on every \$100 borrowed. Twenty-five cents goes to the county and 1 cent goes to the state's Heritage Trust Fund to restore historic properties.

If it is eliminated, Kingman County would lose a sizeable source of revenue. In 2010, the county collected \$58,375.10. That amount rose to \$71,616.59 in 2011 and to \$1,059,127.77 in 2012.

Without the fee, counties either would have to make up the loss through higher taxes or cut budgets and services. Locally, Kingman County would have had to enact a mill levy increase of .53 mill in 2010, .64 mill in 2011 and a staggering 9.78 mills in 2012 to maintain the same level of funding and services. Statewide, the fee generated nearly \$47 million in revenue to the state's 105 counties in 2012.

Anyone that has had a mortgage on real property in Kansas in the past 89 years has already paid the fee. Eliminating the fee would shift the burden to residents, regardless of whether they have a mortgage. In Kingman County, a significant portion of the fees paid in recent years has come from out-of-county entities.

"If this tax is shifted to a property tax mill levy increase, how is this fair and equitable to those who have already paid their mortgage?" said Commission Chair Carol Voran. "This shifts the burden to those who are retired, those on a fixed income."

The fee, which is one of only a few revenue streams available to the county to fund essential services, also provides an important protection to lenders. Payment of the fee and properly recording the mortgage are part of the process to properly secure mortgages in the state of Kansas, noted Voran.

"This is not an oppressive fee," she said, noting that it has not changed due to inflation or other factors since its inception in 1925.

Voran said the county also is concerned about the future of the Heritage Trust Fund, a state program that provides matching funds for preservation of properties listed on the National Register of Historic Places or the Register of Historic Kansas Places. The HTF reimburses expenses for preservation or restoration projects, up to a maximum of \$90,000. The county was awarded \$90,000 in 2008. The money was used to pay for 80 percent of an historic preservation and restoration project at the Kingman County Courthouse, with the county providing the remaining funds.

"Kingman County has benefitted directly from the Heritage Trust Fund," she said. "Those funds came back to the county."

The resolution unanimously adopted by the commission at its Jan. 13 meeting states it would be “profoundly unfair” to counties and their taxpayers to lose the revenue from the fee without the Legislature “identifying and authorizing a revenue measure of equal or greater significance.” In the absence of such a measure, the resolution urges Gov. Sam Brownback and legislators to retain the current fee.

The Kansas Association of Counties, of which Kingman County is a member, also opposes eliminating the fee.

“The fee provides a valuable, equitable and important source of revenue to counties, which supports counties’ efforts to provide essential land records management,” the KAC noted in its 2014 Legislative Policy Statement.

The resolution and a set of talking points have been sent to Gov. Brownback and the Kingman County legislative delegation: Jack Thimesch, 114th House District; Steve Abrams, 32nd Senate District, and Terry Bruce, 34th Senate District.

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