Session of 2025

SENATE BILL No. 86

By Committee on Transportation

1-28

AN ACT concerning the passenger rail service program; establishing the intercity passenger rail service program; making transfers annually to the passenger rail service revolving fund; amending K.S.A. 75-5089 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 75-5089 is hereby amended to read as follows: 75-5089. (a) The secretary of transportation is hereby authorized to establish and implement a passenger rail service program.

(b) The secretary of transportation may, as part of such passenger rail service program, do the following:

(1) Enter into agreements with Amtrak, other rail operators, local jurisdictions and other states for the purpose of developing passenger rail service, serving Kansas and other states interconnected and positioned on a current or proposed route. The agreements may include any of the following provisions:

(A) Cost-sharing agreements associated with initiating service, capital costs, operating subsidies and other costs necessary to develop and maintain service; or

(B) joint powers agreements and other institutional arrangements associated with the administration, management and operation of passenger rail service.

(2) Provide assistance and enter into agreements with local jurisdictions along the proposed route of a midwest regional rail system development or other passenger rail service operations serving Kansas to ensure that rail stations and terminals are designed and developed in accordance with the following objectives:

(A) To meet safety and efficiency requirements outlined by Amtrak and the federal railroad administration;

(B) to aid intermodal transportation; and

(C) to encourage economic development.

(3) Provide loans or grants as provided under the provisions of subsection (c).

(c) *Pursuant to subsection (b), the secretary shall establish, implement and administer an intercity passenger rail service program to develop and provide funding in order to connect Kansas by rail to other*

member states of the midwest interstate passenger rail commission, the midwest regional rail system, the national passenger rail network and any other passenger rail service operations serving Kansas. The secretary shall provide funding for the costs of qualifying projects and provide operating support for Amtrak or any common rail carrier approved by the federal railroad administration for operation of the service.

(d) (1) The secretary of transportation is hereby authorized to make loans or grants to passenger rail service providers for the following purposes:

(A) To provide assistance for the restoration, conservation, improvement and construction of railroad main lines, branch lines, switching yards, sidings, rail connections, intermodal yards, highway grade separations and other railroad related improvements;

(B) for rail economic development projects that improve rail facilities, including the construction of branch lines, sidings, rail connections, intermodal yards, stations, equipment defined as locomotives and rolling stock, including passenger coaches and other rail-related improvements that spur economic development and job growth; and

(C) costs associated with the initiation, operation and maintenance of passenger rail service.

(2) Passenger rail service providers, who desire assistance in the form of a loan or grant under this section, shall submit an application to the secretary of transportation. Applications shall be in such form and shall include such information as the secretary of transportation shall require and shall be submitted in a manner and at a time to be determined by the secretary of transportation.

(3) Such loans or grants shall be made upon such terms and conditions as the secretary of transportation may deem appropriate, and such loans or grants shall be made from funds credited to the passenger rail service revolving fund.

(4) The passenger rail service revolving fund is hereby established in the state treasury which shall be for the purposes established under subsection ~~(e)(1)~~ *(d)(1)*. The secretary of transportation shall administer the passenger rail service revolving fund. All expenditures from the passenger rail service revolving fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of transportation or by a person or persons designated by the secretary.

The secretary of transportation shall remit to the state treasurer, in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, all moneys received by the secretary pursuant to this act. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the passenger rail service

revolving fund.

(5) The management and investment of the passenger rail service revolving fund shall be in accordance with K.S.A. 68-2324, and amendments thereto. Notwithstanding anything to the contrary, all interest or other income of the investments, after payment of any management fees, shall be considered income of the passenger rail service revolving fund.

~~(d)~~*(e)* As part of the annual report required under K.S.A. 68-2315, and amendments thereto, the secretary of transportation shall report on the development and operation of the midwest regional rail system and the state's passenger rail service program.

~~(e)~~*(f)* It is the intent of the state legislature that the enactment of this act shall not affect the terms or duration of railroad assistance agreements entered into under legislation enacted before the effective date of this act.

(g) On July 1, 2026, and each July 1 thereafter through July 1, 2029, the secretary of transportation, in consultation with the director of the budget, shall determine the amount of unencumbered moneys in the state general fund, the state highway fund or any special revenue fund or funds of the department of transportation that may be used for the intercity passenger rail service program. The secretary of transportation shall certify the amount from each such fund to the director of accounts and reports, and upon receipt of each such certification, or as soon thereafter as moneys are available, the director of accounts and reports shall immediately transfer an aggregate amount of $5,000,000 each fiscal year from such certified funds to the passenger rail service revolving fund. The secretary of transportation shall transmit a copy of each such certification to the director of legislative research and the director of the budget.

~~(f)~~*(h)* As used in this section "passenger rail service" means long-distance, intercity and commuter passenger transportation, including the midwest regional rail system development which is provided on railroad tracks.

~~(g)~~*(i)* The secretary of transportation may adopt rules and regulations for the purpose of implementing the provisions of this section.

Sec. 2. K.S.A. 75-5089 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.