

HOUSE BILL No. 2647

By Committee on Transportation

Requested by Joel Skelley on behalf of the Kansas Department of Transportation

2-3

1 AN ACT concerning communications services; relating to the Kansas
2 department of transportation; authorizing the Kansas department of
3 transportation to establish a statewide fiber optic system; establishing
4 the Kansas broadband revolving fund for the receipt and disbursement
5 of moneys related to such system; authorizing the issuance of revenue
6 bonds by the Kansas development finance authority; requiring the
7 secretary of transportation to prepare and submit a report to the
8 legislature regarding such system.
9

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

11 Section 1. As used in this act:

12 (a) "Department" means the Kansas department of transportation.
13 (b) "Equipment" means optical fibers and ancillary equipment used to
14 support fiber optic transmission systems, including, but not limited to,
15 transmitters, receivers, connectors, vaults and ducts.

16 (c) "Revenues" means any receipts, fees, revenues or other payments
17 received or to be received by the department under this act.

18 (d) "Secretary" means the secretary of the Kansas department of
19 transportation.

20 (e) "System" means a physical infrastructure of conduit and
21 microduct used to house optical fibers that enable the transmission of
22 broadband connections.

23 Sec. 2. (a) The secretary is hereby authorized and empowered to plan,
24 administer, construct, reconstruct, rehabilitate and maintain a system in
25 accordance with this act. The secretary may:

26 (1) Enter into agreements with governmental and nongovernmental
27 entities to install equipment in the system or use the system to the extent
28 that the system is not needed by the department; and

29 (2) require entities that install equipment in the system or use the
30 system to obtain a highway right-of-way use permit.

31 (b) The secretary shall:

32 (1) Establish a schedule of fees to be charged to entities that install
33 equipment in the system or use the system. Such fees shall be set at an
34 amount that is sufficient to recover the actual incremental cost incurred by
35 the department for the administration, construction, reconstruction,

1 rehabilitation and maintenance of the system;
2 (2) adopt a policy to prioritize the available space within the system;
3 and
4 (3) establish standard terms and conditions that shall be included in
5 any agreement that authorizes an entity to install equipment in the system
6 or use the system.

7 Sec. 3. (a) There is hereby established in the state treasury the Kansas
8 broadband revolving fund. Such fund shall be administered by the
9 secretary. All expenditures from the Kansas broadband revolving fund
10 shall be made in accordance with appropriation acts upon warrants of the
11 director of accounts and reports issued pursuant to vouchers approved by
12 the secretary or secretary's designee. All moneys received by the secretary
13 pursuant to this act shall be remitted to the state treasurer in accordance
14 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
15 receipt of each such remittance, the state treasurer shall deposit the entire
16 amount to the credit of the Kansas broadband revolving fund.

17 (b) The Kansas broadband revolving fund shall consist of:
18 (1) Any fees paid to the secretary pursuant to section 2, and
19 amendments thereto;
20 (2) amounts appropriated or otherwise made available by the
21 legislature for the purpose of the fund;
22 (3) the proceeds, if any, from the sale of bonds issued pursuant to this
23 act for the purposes of the fund to the extent provided in any agreement
24 entered between the secretary and the Kansas development finance
25 authority;
26 (4) interest earned on moneys in the fund pursuant to subsection (d);
27 (5) amounts contributed or otherwise made available by any public or
28 private entity, including the federal government, for use in effectuating the
29 purposes of the fund; and
30 (6) amounts transferred from the state highway fund by order of the
31 secretary.

32 (c) The secretary or the secretary's designee may make expenditures
33 from the Kansas broadband revolving fund to:

34 (1) Plan, administer, construct, reconstruct, rehabilitate and maintain
35 the system;
36 (2) pay the principal and interest of bonds issued pursuant to this act,
37 including sinking fund payments or payments to provide additional
38 security, insurance or other form of credit enhancement to secure such
39 bonds;
40 (3) pay for the administrative costs to carry out the provisions of this
41 act; and
42 (4) transfer moneys from the Kansas broadband revolving fund to the
43 state highway fund.

1 (d) On or before the 10th day of each month commencing on July 1,
2 2026, the director of accounts and reports shall transfer from the state
3 general fund to the Kansas broadband revolving fund interest earnings
4 based on:

5 (1) The average daily balance of moneys in the Kansas broadband
6 revolving fund for the preceding month; and

7 (2) the net earnings rate of the pooled money investment portfolio for
8 the preceding month.

9 (e) To carry out the provisions of this act, the secretary is hereby
10 authorized to order the director of accounts and reports to transfer moneys
11 from the state highway fund to the Kansas broadband revolving fund or
12 from the Kansas broadband revolving fund to the state highway fund.

13 Sec. 4. (a) For the purpose of financing the planning, administration,
14 construction, reconstruction, rehabilitation and maintenance of the system
15 in accordance with this act, the secretary may enter into agreements with
16 the Kansas development finance authority to issue revenue bonds.

17 (b) The activities of the secretary in administering and performing the
18 powers, duties and functions prescribed by the provisions of this act and in
19 acquiring financing for the planning, administration, construction,
20 reconstruction, rehabilitation and maintenance of the system are hereby
21 approved for the purposes of K.S.A. 74-8905(b), and amendments thereto.
22 The Kansas development finance authority is authorized to issue one or
23 more series of revenue bonds in accordance with K.S.A. 74-8901 et seq.,
24 and amendments thereto. For purposes of this section, the provisions of
25 K.S.A. 74-8905(a), and amendments thereto, shall not prohibit the
26 issuance of bonds for such purposes when so authorized, and any such
27 issuance of bonds shall be exempt from the provisions of K.S.A. 74-
28 8905(a), and amendments thereto.

29 Sec. 5. (a) Prior to the 10th day of the regular session of the
30 legislature each year, the secretary shall submit a written report to the
31 governor, and the senate committee on utilities and the house of
32 representatives committee on energy, utilities and telecommunications that
33 provides:

34 (1) The amount of the system constructed, reconstructed or
35 rehabilitated during the preceding fiscal year;

36 (2) the costs associated with the planning, administration,
37 construction, reconstruction, rehabilitation and maintenance of the system
38 during the preceding fiscal year, which shall be set out for each individual
39 category of cost;

40 (3) the payments made by governmental and nongovernmental
41 entities that have entered into agreements with the secretary to install
42 equipment in the system or use the system;

43 (4) a listing of the governmental and nongovernmental entities that

1 have entered into agreements with the secretary to install equipment in the
2 system or use the system;

3 (5) a listing of the governmental and nongovernmental entities that
4 have terminated agreements with the secretary to install equipment in the
5 system or use the system;

6 (6) a listing of all governmental and nongovernmental entities that
7 have applied to install equipment in the system or use the system but have
8 not been allowed to install equipment in the system or use the system and
9 why such entities were denied;

10 (7) a listing of projects that are anticipated to be performed in the
11 subsequent five years and the anticipated timeline for the projects;

12 (8) information concerning the condition and performance of the
13 system; and

14 (9) an explanation of any material changes from the previous annual
15 report.

16 (b) The secretary shall post such report on the official internet page of
17 the department and provide notice of the online posting to all persons or
18 entities requesting such notice. The secretary shall establish a virtual
19 method for a person or entity to request such notice.

20 Sec. 6. This act shall take effect and be in force from and after its
21 publication in the statute book.