

## SENATE BILL No. 357

By Committee on Transportation

1-21

1 AN ACT concerning the passenger rail service program; establishing the  
2 intercity passenger rail service program; making transfers annually to  
3 the passenger rail service revolving fund; amending K.S.A. 75-5089  
4 and repealing the existing section.  
5

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

7 Section 1. K.S.A. 75-5089 is hereby amended to read as follows: 75-  
8 5089. (a) The secretary of transportation is hereby authorized to establish  
9 and implement a passenger rail service program.

10 (b) *As part of such passenger rail service program*, the secretary of  
11 transportation may, ~~as part of such passenger rail service program~~, do the  
12 following:

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

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

21 (B) ~~joint powers~~*joint-power* agreements and other institutional  
22 arrangements associated with the administration, management and  
23 operation of passenger rail service.

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

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

31 (B) to aid intermodal transportation; and

32 (C) to encourage economic development.

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

35 (c) *Pursuant to subsection (b), the secretary shall establish,  
36 implement and administer an intercity passenger rail service program to*

1 *develop and provide funding in order to connect Kansas by rail to other*  
2 *member states of the midwest interstate passenger rail commission, the*  
3 *midwest regional rail system, the national passenger rail network and any*  
4 *other passenger rail service operations serving Kansas. The secretary*  
5 *shall provide funding for the costs of qualifying projects and provide*  
6 *operating support for Amtrak or any common rail carrier approved by the*  
7 *federal railroad administration for operation of the service.*

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

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

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

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

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

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

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

41 The secretary of transportation shall remit to the state treasurer, in  
42 accordance with the provisions of K.S.A. 75-4215, and amendments  
43 thereto, all moneys received by the secretary pursuant to this act. Upon

1 receipt of each such remittance, the state treasurer shall deposit the entire  
2 amount in the state treasury to the credit of the passenger rail service  
3 revolving fund.

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

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

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

17 (g) *On July 1, 2027, and each July 1 thereafter through July 1, 2030,  
18 the secretary of transportation, in consultation with the director of the  
19 budget, shall determine the amount of unencumbered moneys in the state  
20 general fund, the state highway fund or any special revenue fund or funds  
21 of the department of transportation that may be used for the intercity  
22 passenger rail service program. The secretary of transportation shall  
23 certify the amount from each such fund to the director of accounts and  
24 reports, and upon receipt of each such certification, or as soon thereafter  
25 as moneys are available, the director of accounts and reports shall  
26 transfer an aggregate amount of \$5,000,000 each fiscal year from such  
27 certified funds to the passenger rail service revolving fund. The secretary  
28 of transportation shall transmit a copy of each such certification to the  
29 director of legislative research and the director of the budget.*

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

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

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

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