

## REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Appropriations** recommends **HB 2588** be amended on page 1, in line 10, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 12, by striking "FORWARD" and inserting "Eisenhower legacy"; by striking all in lines 20 through 22; in line 23, by striking all before the period and inserting "The secretary shall establish targets for the state highway system condition that reflect the reasonable, realistic expectations that have historically existed in providing a safe and efficient state highway system. The secretary shall utilize reasonable, sound and accepted methods to determine the annual preservation investment needed to achieve the state targets and provide optimum cost effectiveness in keeping the long-term state highway system condition meeting such targets";

Also on page 1, in line 24, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 27, before the semicolon by inserting ". The secretary shall manage cash-flow and project lettings such that there is reasonable assurance that preservation projects shall be fully funded each year. Pursuant to this subparagraph, preservation projects refer to maintenance, repairs or replacement of existing infrastructure";

On page 2, in line 19, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 23, by striking "2023" and inserting "2022"; also in line 23, before "A" by inserting "The secretary shall let to construction contract the remaining transportation works for Kansas program projects before any new modernization or expansion project, or both, under the Eisenhower legacy transportation program are let to construction."; in line 30, by striking "FORWARD" and inserting "Eisenhower legacy";

On page 3, in line 12, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 16, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 20, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 24, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 28, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 32, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 36, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 39, by striking "Motor fuel taxes and vehicle registration revenues" and inserting "State highway fund revenues that include, but are not limited to, motor fuel taxes, vehicle registrations, sales and compensating use taxes and eligible federal aid";

On page 4, following line 6, by inserting:

"(3) All new bonds issued for the purposes of the Eisenhower legacy transportation program shall be paid using revenue collected or received pursuant to K.S.A. 79-3620(c) and 79-3710(c), and amendments thereto.";

Also on page 4, in line 9, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 17, after "(2)" by inserting "(A) It is the intent of the legislature that the secretary shall develop a metric-driven process that determines a reasonable and fair minimum amount of state highway fund moneys to be spent on new modernization and expansion projects in each of the Kansas department of transportation's six districts over the duration of the Eisenhower legacy transportation program.

(B) The process for determining the minimum amount of modernization and expansion project moneys shall be subject to the following:

(i) Adding together the minimum moneys set for each of the Kansas department of transportation's six districts pursuant to paragraph (2)(A), the total shall be at least 50% of the estimated cost of constructing all modernization and expansion projects let to contract in the Eisenhower legacy transportation program.

(ii) If the estimated cost of constructing all modernization and expansion projects in the

Eisenhower legacy transportation program increases or decreases by more than 10%, then the minimum amounts will be adjusted accordingly while still satisfying paragraph (2)(B)(i).

(iii) For each of the Kansas department of transportation's six districts, at least 40% of the minimum amounts determined in paragraph (2)(A), or adjusted amounts according to paragraph (2)(B)(ii), shall be let to construction contract by year five of the Eisenhower legacy transportation program, and 100% of the minimum amounts determined in paragraph (2)(A), or adjusted amounts according to paragraph (2)(B)(ii), shall be let to construction contract by year 10 of the Eisenhower legacy transportation program.

(iv) Any modernization or expansion projects remaining from the transportation works for Kansas program pursuant to K.S.A. 68-2314b, and amendments thereto, shall not be considered when determining the minimum amounts in paragraph (2)(A) or (2)(B)(i).

(3)";

Also on page 4, by striking all in lines 22 through 24; in line 25, after "(n)" by inserting "It is the intent of the legislature that the secretary take the actions necessary to have transportation improvement projects ready to let to construction as cash-flow management allows.

(o)";

Also on page 4, in line 28, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 29, by striking "FORWARD" and inserting "Eisenhower legacy";

On page 6, in line 4, by striking "FORWARD" and inserting "Eisenhower legacy"; in line 8, by striking all after "thereto"; by striking all in lines 9 through 15; in line 16, by striking all before the period; also in line 16, after the period by inserting "Alternative delivery procurement methods shall only be used when such methods are a condition of projects obtained through federal grants."; in line 18, by striking "FORWARD" and inserting "Eisenhower legacy";

On page 7, following line 39, by inserting:

"New Sec. 5. (a) There is hereby established in the state treasury the short line rail improvement fund. The short line rail improvement fund shall be administered by the secretary of transportation. Expenditures from the short line rail improvement fund may be made for any qualified railroad track maintenance expenditure constructed by an eligible entity. Qualified railroad track maintenance expenditures shall be matched on a 70% state moneys to 30% eligible entity moneys basis. All expenditures from the short line rail improvement 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 the secretary's designee.

(b) On July 1, 2020, and each July 1 thereafter through July 1, 2022, the director of accounts and reports shall transfer \$5,000,000 from the state highway fund to the short line rail improvement fund.

(c) For purposes of this section:

(1) "Eligible entity" means:

(A) Class II or class III railroad as defined in 49 C.F.R. § 1201.1-1(a), as in effect on January 1, 2020; or

(B) any owner or lessee industry track located on or adjacent to a class II or class III railroad in the state of Kansas; and

(2) "qualified railroad track maintenance expenditure" means gross expenditures for maintenance, reconstruction or replacement of railroad track, including roadbed, bridges, industrial leads and side track, and related track structures to the extent the expenditures are on track located in the state of Kansas, and the track was owned or leased by an eligible entity as of January 1, 2020.";

On page 9, by striking all in lines 10 through 14 and inserting "(4) anticipated annual payouts of construction projects already under contract and any proposed construction projects for the next three fiscal years. Such payouts shall be listed separately for those payouts for preservation projects from

payouts for modernization and expansion projects;

(5) proposed construction projects to be let to contract in the current fiscal year and anticipated breakdowns of anticipated annual payouts for the next three fiscal years for those projects;

(6) a detailed breakdown of anticipated annual expenditures for the next three fiscal years on remaining agency debt service, programs and operations;

(7) annual expenditures from paragraphs (4) through (6);

(8) a comparison of annual revenue expected into the state highway fund, including state highway fund ending balance carryovers, for the next three fiscal years;

(9) for any construction project let in the Eisenhower legacy transportation program that is more than \$5,000,000, an explanation of all initial bids submitted for such project and the actual final cost of construction for such project;"

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 10, in line 23, by striking "FORWARD" and inserting "Eisenhower legacy transportation";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "FORWARD" and inserting "Eisenhower legacy"; and the bill be passed as amended.

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Chairperson