

As Amended by House Committee

Session of 2020

HOUSE BILL No. 2588

By Committee on Appropriations

2-6

1 AN ACT concerning transportation; providing for the ~~FORWARD~~  
2 **Eisenhower legacy** transportation program; amending K.S.A. 68-416,  
3 68-2315, 68-2316, 75-5035, 75-5048, 75-5061, 79-3603 and 79-3703  
4 and repealing the existing sections.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 New Section 1. (a) In order to plan, develop and operate or  
8 coordinate the development and operation of the various modes and  
9 systems of transportation within the state, the secretary of transportation is  
10 hereby authorized and directed to initiate a ~~FORWARD~~ **Eisenhower**  
11 **legacy** transportation program.

12 (b) (1) The ~~FORWARD~~ **Eisenhower legacy** transportation program  
13 shall provide for the construction, improvement, reconstruction and  
14 maintenance of the state highway system. The program shall provide for  
15 the selection of projects that will allow for the flexibility to meet emerging  
16 and economic needs. Program expenditures may include, but may not be  
17 limited to, the following:

18 (A) Preservation projects to efficiently maintain a state highway  
19 system in its original or improved condition and in a state of good repair.  
20 ~~The secretary shall determine the average annual preservation investment~~  
21 ~~needed to maintain the state highway system in a state of good repair by~~  
22 ~~determining the annual preservation investment needed using Kansas~~  
23 ~~department of transportation performance measures~~ **The secretary shall**  
24 **establish targets for the state highway system condition that reflect the**  
25 **reasonable, realistic expectations that have historically existed in**  
26 **providing a safe and efficient state highway system. The secretary**  
27 **shall utilize reasonable, sound and accepted methods to determine the**  
28 **annual preservation investment needed to achieve the state targets**  
29 **and provide optimum cost effectiveness in keeping the long-term state**  
30 **highway system condition meeting such targets.** It is the intent of the  
31 legislature that the secretary, prior to completion of the ~~FORWARD~~  
32 **Eisenhower legacy** transportation program, shall spend or encumber from  
33 the state highway fund preservation projects in an amount equal to or  
34 exceeding 10 times the determined average annual preservation  
35 investment. **The secretary shall manage cash-flow and project lettings**  
36 **such that there is reasonable assurance that preservation projects**

1 **shall be fully funded each year. Pursuant to this subparagraph,**  
2 **preservation projects refer to maintenance, repairs or replacement of**  
3 **existing infrastructure;**

4 (B) preservation plus projects to efficiently maintain a state highway  
5 system and include additional safety or technology elements, or both, in  
6 the preservation project. Such additional elements may include, but may  
7 not be limited to, adding paved shoulders, adding passing lanes, adding  
8 traffic signals, adding intelligent transportation system elements or laying  
9 broadband fiber or the conduit for broadband fiber. It is the intent of the  
10 legislature that the secretary has the authority to enhance preservation plus  
11 projects with the addition of safety or technology improvements, or both;

12 (C) expansion and economic opportunity projects, that include  
13 additions to the transportation system, or that improve access, relieve  
14 congestion and enhance economic development opportunities. The Kansas  
15 department of transportation shall develop and utilize criteria for the  
16 selection of expansion and economic opportunity projects. The selection  
17 criteria shall include, but shall not be limited to, engineering and traffic  
18 data, local consultation, geographic distribution and an economic impact  
19 analysis evaluation; and

20 (D) modernization projects that include improvements to the  
21 transportation system by widening lanes or shoulders, making geometric  
22 improvements, upgrading interchanges or building rail grade separations to  
23 improve the safety, condition or service of the highway system. The  
24 Kansas department of transportation shall develop and utilize criteria for  
25 the selection of modernization projects. The selection criteria shall include,  
26 but shall not be limited to, engineering data, local consultation and  
27 geographic distribution.

28 (2) The department of transportation shall develop criteria for the  
29 incorporation of practical improvements into designs of the projects  
30 specified in this subsection.

31 (c) Except as further provided, the ~~FORWARD~~ **Eisenhower legacy**  
32 **transportation program shall provide for the completion of modernization**  
33 **and expansion projects selected for construction under the transportation**  
34 **works for Kansas program pursuant to K.S.A. 68-2314b, and amendments**  
35 **thereto. Such projects shall be let prior to July 1, ~~2023~~ 2022. The**  
36 **secretary shall let to construction contract the remaining**  
37 **transportation works for Kansas program projects before any new**  
38 **modernization or expansion project, or both, under the Eisenhower**  
39 **legacy transportation program are let to construction.** A transportation  
40 works for Kansas program selected project in Harvey County generally  
41 described as an approximate one-mile reconstruction of the I-135 and 36<sup>th</sup>  
42 street interchange may not be constructed. If such project is not  
43 constructed, the estimated construction costs for such project shall be used

1 on other construction projects in the Kansas department of transportation's  
2 south-central district.

3 (d) The ~~FORWARD~~ **Eisenhower legacy** transportation program shall  
4 provide for assistance, including credit and credit enhancements, to cities  
5 and counties in meeting their responsibilities for the construction,  
6 improvement, reconstruction and maintenance of transportation  
7 improvements. Such programs may use criteria developed by the Kansas  
8 department of transportation for the incorporation of practical  
9 improvements into designs of projects. Expenditures under this subsection  
10 may include, but may not be limited to, the following:

11 (1) Apportionment of the special city and county highway fund to  
12 assist cities and counties with their responsibilities for roads and bridges  
13 not on the state highway system;

14 (2) programs to share federal aid with cities and counties to assist  
15 with their responsibilities for roads and bridges not on the state highway  
16 system;

17 (3) programs to assist cities with the maintenance of city connecting  
18 links as specified in K.S.A. 68-416, and amendments thereto, and local  
19 partnership programs to resurface or geometrically improve city  
20 connecting links or to promote economic development;

21 (4) programs similar to the Kansas department of transportation's  
22 local bridge improvement program to aid local public authorities in  
23 replacing or repairing bridges not on the state highway system;

24 (5) programs to assist cities and counties with railroad crossings of  
25 roads not on the state highway system; or

26 (6) programs that allow local governments to exchange federal aid  
27 funds for state funds.

28 (e) The ~~FORWARD~~ **Eisenhower legacy** transportation program shall  
29 provide for a railroad program to provide assistance in accordance with  
30 K.S.A. 75-5040 through 75-5050, and amendments thereto, for the  
31 preservation and revitalization of rail service in the state.

32 (f) The ~~FORWARD~~ **Eisenhower legacy** transportation program shall  
33 provide for an aviation program to provide assistance for the planning,  
34 constructing, reconstructing or rehabilitating the facilities of public use  
35 general aviation airports, in accordance with K.S.A. 75-5061, and  
36 amendments thereto.

37 (g) The ~~FORWARD~~ **Eisenhower legacy** transportation program shall  
38 provide for public transit programs to aid elderly persons, persons with  
39 disabilities and the general public, in accordance with K.S.A. 75-5032  
40 through 75-5038 and 75-5051 through 75-5058, and amendments thereto.

41 (h) The ~~FORWARD~~ **Eisenhower legacy** transportation program shall  
42 provide for a transportation technology program to provide for multimodal  
43 transportation-related projects that support innovative technology, in

1 accordance with section 2, and amendments thereto.

2 (i) The ~~FORWARD~~ **Eisenhower legacy** transportation program shall  
3 provide for a multimodal program to provide transportation improvement  
4 assistance for bike facilities, pedestrian facilities or other transportation-  
5 sensitive economic opportunities on a local or a regional basis.

6 (j) The ~~FORWARD~~ **Eisenhower legacy** transportation program shall  
7 allow the secretary to award certain state highway system projects using  
8 alternative delivery procurement methods, other than an award of a design-  
9 bid-build, as provided for in section 4, and amendments thereto.

10 (k) The ~~FORWARD~~ **Eisenhower legacy** transportation program shall  
11 provide for a broadband infrastructure construction program, in  
12 accordance with section 3, and amendments thereto.

13 (l) (1) ~~Motor fuel taxes and vehicle registration revenues~~ **State**  
14 **highway fund revenues that include, but are not limited to, motor fuel**  
15 **taxes, vehicle registrations, sales and compensating use taxes and**  
16 **eligible federal aid** shall be used in the following order of priority:

17 (A) To pay bond covenant obligations;

18 (B) to pay for agency operations;

19 (C) to make city connecting link payments authorized under K.S.A.  
20 68-416, and amendments thereto; and

21 (D) to pay for needed preservation projects as set forth in subsection  
22 (b)(1).

23 (2) Any such revenues not spent pursuant to subsection (l)(1)(A)  
24 through (D) may be used for other purposes and authority given to the  
25 secretary.

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

30 (m) (1) The secretary shall, using the Kansas department of  
31 transportation selection methods and criteria, determine the projects to be  
32 selected for inclusion under the ~~FORWARD~~ **Eisenhower legacy**  
33 transportation program. Consideration may be given to additional criteria  
34 that may include projects that:

35 (A) Remove transportation infrastructure from the state highway  
36 system;

37 (B) identify priority corridors;

38 (C) include local monetary participation; or

39 (D) reduce project size.

40 (2) **(A) It is the intent of the legislature that the secretary shall**  
41 **develop a metric-driven process that determines a reasonable and fair**  
42 **minimum amount of state highway fund moneys to be spent on new**  
43 **modernization and expansion projects in each of the Kansas**

1 department of transportation's six districts over the duration of the  
2 Eisenhower legacy transportation program.

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

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

11 **(ii) If the estimated cost of constructing all modernization and**  
12 **expansion projects in the Eisenhower legacy transportation program**  
13 **increases or decreases by more than 10%, then the minimum amounts**  
14 **will be adjusted accordingly while still satisfying paragraph (2)(B)(i).**

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

23 **(iv) Any modernization or expansion projects remaining from the**  
24 **transportation works for Kansas program pursuant to K.S.A. 68-**  
25 **2314b, and amendments thereto, shall not be considered when**  
26 **determining the minimum amounts in paragraph (2)(A) or (2)(B)(i).**

27 **(3) The secretary shall select projects for development every two**  
28 **years. The secretary shall select projects for construction every two years.**  
29 **The secretary is not required to construct every project selected for**  
30 **development. The selection of projects for development and construction**  
31 **shall take place every two years, after consultation with local jurisdictions.**  
32 **~~Prior to June 30, 2030, not less than three expansion or modernization~~**  
33 **~~projects shall be selected for development from each of the Kansas~~**  
34 **~~department of transportation's six districts.~~**

35 **(n) It is the intent of the legislature that the secretary take the**  
36 **actions necessary to have transportation improvement projects ready**  
37 **to let to construction as cash-flow management allows.**

38 **(o) The secretary, prior to June 30, 2030, shall develop a long-range**  
39 **transportation plan that examines, but is not limited to, transportation**  
40 **policy, project selection criteria and selection methods used in the**  
41 **FORWARD Eisenhower legacy transportation program, transportation**  
42 **funding sources and FORWARD Eisenhower legacy transportation**  
43 **program project categories. The long-range transportation plan shall make**

1 recommendations for a new transportation program for the state of Kansas.  
2 The long-range transportation plan shall be developed after consultation  
3 with the governor of the state of Kansas and state and local elected  
4 officials.

5 New Sec. 2. (a) The secretary of transportation is hereby authorized  
6 and empowered to participate in projects or make grants for projects, the  
7 purpose of which is the planning, assessment and fielding of new  
8 capabilities and innovative technology for all modes of transportation,  
9 including, but not limited to, aviation and highway transportation. Such  
10 new capabilities should represent increased efficiency for state operations,  
11 public cost savings, increased safety or economic development.

12 (b) There is hereby established in the state treasury the transportation  
13 technology development fund. All moneys credited to such fund shall be  
14 used to provide assistance with the planning, assessment and fielding of  
15 new capabilities for all modes of transportation, including, but not limited  
16 to, aviation and highway transportation. All expenditures from such fund  
17 shall be made in accordance with the provisions of appropriation acts and  
18 upon warrants of the director of accounts and reports issued pursuant to  
19 vouchers approved by the secretary or the secretary's designee.

20 (c) Grants made by the secretary from the transportation technology  
21 development fund shall be made upon such terms and conditions as the  
22 secretary may deem appropriate, and such grants shall be made from funds  
23 credited to the transportation technology development fund.

24 (d) On July 1, 2020, and each July 1 thereafter through July 1, 2030,  
25 the director of accounts and reports shall transfer \$2,000,000 from the state  
26 highway fund to the transportation technology development fund. The  
27 secretary is hereby authorized to transfer additional moneys to the  
28 transportation technology development fund from the state highway fund,  
29 and moneys from the transportation technology development fund to the  
30 state highway fund.

31 New Sec. 3. (a) The secretary of transportation is hereby authorized  
32 and empowered to make grants for construction projects, the purpose of  
33 which is to expand and improve broadband service in the state of Kansas.  
34 The secretary of transportation is authorized to make such grants when  
35 working jointly with the office of broadband development within the  
36 department of commerce.

37 (b) There is hereby established in the state treasury the broadband  
38 infrastructure construction grant fund. All moneys credited to such fund  
39 shall be used to provide grants for the expansion of broadband service in  
40 the state of Kansas. All expenditures from such fund shall be made in  
41 accordance with the provisions of appropriation acts and upon warrants of  
42 the director of accounts and reports issued pursuant to vouchers approved  
43 by the secretary of transportation or the secretary's designee.

1 (c) Grants made by the secretary of transportation from the  
2 broadband infrastructure construction grant fund shall reimburse grant  
3 recipients for up to 50% of actual construction costs in expanding and  
4 improving broadband service in the state of Kansas. Such grant  
5 reimbursements shall be upon such terms and conditions as the secretary  
6 of transportation may deem appropriate, in coordination with the secretary  
7 of commerce.

8 (d) On July 1, 2020, and each July 1 thereafter through July 1, 2022,  
9 the director of accounts and reports shall transfer \$5,000,000 from the state  
10 highway fund to the broadband infrastructure construction grant fund. On  
11 July 1, 2023, and each July thereafter through July 1, 2030, the director of  
12 accounts and reports shall transfer \$10,000,000 from the state highway  
13 fund to the broadband infrastructure construction grant fund. At the end of  
14 each fiscal year, the secretary of transportation is hereby authorized to  
15 notify the director of accounts and reports to transfer all remaining and  
16 unencumbered funds from the broadband infrastructure construction grant  
17 fund to the state highway fund.

18 New Sec. 4. (a) The ~~FORWARD~~ **Eisenhower legacy** transportation  
19 program shall allow the secretary of transportation to award certain state  
20 highway system projects using alternative delivery procurement methods  
21 other than award of a design-bid-build contract to the lowest bidder as  
22 provided in K.S.A. 68-410, and amendments thereto, ~~subject to the~~  
23 ~~following:~~

24 ~~(1) Projects selected for alternative delivery shall not include~~  
25 ~~preservation projects as defined in section 1, and amendments thereto;~~

26 ~~(2) alternative delivery may be used on all projects utilizing toll~~  
27 ~~revenues for construction and maintenance of the project; and~~

28 ~~(3) not more than 5% of dollars spent in the FORWARD~~  
29 ~~transportation program shall be used on alternative delivery. The dollar~~  
30 ~~value of projects utilizing toll revenues and projects obtained through~~  
31 ~~federal grants shall not be considered in determining this 5% limit.~~

32 **Alternative delivery procurement methods shall only be used when**  
33 **such methods are a condition of projects obtained through federal**  
34 **grants.**

35 (b) In addition to the requirements in subsection (a), alternative  
36 delivery projects in the ~~FORWARD~~ **Eisenhower legacy** transportation  
37 program shall be subject to the following requirements and restrictions:

38 (1) Procurement methods for transportation alternative delivery  
39 projects may provide for a single contract or multiple contracts that  
40 include, but are not limited to, services for preconstruction, design,  
41 construction, construction management, maintenance, operation, financing  
42 or a combination thereof;

43 (2) the Kansas department of transportation shall develop and utilize

1 criteria for selecting whether alternative delivery or design-bid-build  
2 procurement process is in the best interest of the state. No project will be  
3 selected for alternative delivery without having been evaluated under the  
4 selection criteria established by the department. The selection criteria shall  
5 include, but not be limited to, the need for accelerated schedule, safety  
6 needs, project complexity, opportunity for innovation and economic  
7 development;

8 (3) the Kansas department of transportation shall develop and utilize  
9 procedures for advertising proposals, receiving proposals, evaluating  
10 proposals, awarding contracts and administering contracts in its alternative  
11 delivery procurement program, and the procurement procedures in K.S.A.  
12 68-408 through 68-410, 75-430a and 75-5804 through 75-5807, and  
13 amendments thereto, shall not apply to transportation alternative delivery  
14 projects.

15 (c) Notwithstanding any requirements set forth in subsections (b) or  
16 (c), the alternative delivery procedures shall include:

17 (1) A two-phase best value competitive selection or contracting  
18 process in which the first phase consists of short listing no more than four  
19 proposers based on qualifications identified in the request for  
20 qualifications and the second phase consists of the submission of price or  
21 technical proposals, or both, in response to a request for proposal;

22 (2) advertisement of requests for qualifications in the Kansas register  
23 for at least three consecutive weeks;

24 (3) prequalification of contractors performing construction and of  
25 firms performing professional technical services by the secretary in  
26 accordance with existing state statutes, regulations, and department  
27 procedures governing prequalification and licensing;

28 (4) a bond for performance and payment or alternative security  
29 guaranteeing contract performance and payment obligations for supplies,  
30 materials and labor furnished for the alternative delivery project; and

31 (5) a requirement that firms and key personnel identified in the  
32 qualifications phase and scored to determine the shortlist may not be  
33 replaced during the alternative delivery project without the Kansas  
34 department of transportation's written approval.

35 (d) Notwithstanding any other provision of law to the contrary, a  
36 contracting entity selected for an alternative delivery project shall not be in  
37 violation of K.S.A. 74-7001 et seq., and amendments thereto, and the  
38 contract entered into by such contractor shall not be void if such contractor  
39 obtains the professional services by subcontracting with an entity or  
40 entities duly licensed or holding a certificate of authorization to perform  
41 professional services in accordance with K.S.A. 74-7001 et seq., and  
42 amendments thereto.

43 (e) Notwithstanding the provisions of K.S.A. 68-419a, and

1 amendments thereto, a contracting entity selected for an alternative  
2 delivery project that is responsible for preparing or furnishing design plans  
3 and specifications, through its own organization or by subcontracting as  
4 provided in subsection (d), shall be liable for damages arising out of  
5 design defects in such plans and specifications resulting in injury to  
6 persons or damage to property, occurring after completion of the contract  
7 and acceptance thereof by the Kansas department of transportation, if and  
8 to the extent such injury or damage arises out of a failure to exercise the  
9 degree of learning and skill ordinarily possessed by a reputable contractor  
10 or by a technical professional practicing in Kansas in the same or similar  
11 locality and under similar circumstances. Nothing contained in this  
12 subsection shall be construed as abrogating, limiting or otherwise affecting  
13 any cause of action accruing to the state or any agency or instrumentality  
14 thereof that was a party to such contract.

15 **New Sec. 5. (a) There is hereby established in the state treasury**  
16 **the short line rail improvement fund. The short line rail improvement**  
17 **fund shall be administered by the secretary of transportation.**  
18 **Expenditures from the short line rail improvement fund may be made**  
19 **for any qualified railroad track maintenance expenditure constructed**  
20 **by an eligible entity. Qualified railroad track maintenance**  
21 **expenditures shall be matched on a 70% state moneys to 30% eligible**  
22 **entity moneys basis. All expenditures from the short line rail**  
23 **improvement fund shall be made in accordance with appropriation**  
24 **acts upon warrants of the director of accounts and reports issued**  
25 **pursuant to vouchers approved by the secretary of transportation or**  
26 **the secretary's designee.**

27 **(b) On July 1, 2020, and each July 1 thereafter through July 1,**  
28 **2022, the director of accounts and reports shall transfer \$5,000,000**  
29 **from the state highway fund to the short line rail improvement fund.**

30 **(c) For purposes of this section:**

31 **(1) "Eligible entity" means:**

32 **(A) Class II or class III railroad as defined in 49 C.F.R. § 1201.1-**  
33 **1(a), as in effect on January 1, 2020; or**

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

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

42 ~~Sec. 6.~~ **6.** K.S.A. 68-416 is hereby amended to read as follows: 68-  
43 416. The state highway fund shall be apportioned as follows:

1 (a) The secretary of transportation annually shall apportion and  
2 distribute quarterly, on the first day of January, April, July and October, to  
3 cities on the state highway system from the state highway fund moneys at  
4 the rate of ~~\$3,000~~ \$5,000 per year per lane per mile for the maintenance of  
5 streets and highways in cities designated by the secretary as city  
6 connecting links. Unless a consolidated street and highway fund is  
7 established pursuant to K.S.A. 12-1,119, and amendments thereto, all  
8 moneys distributed by the secretary shall be credited to the street and alley  
9 funds of such cities. All moneys so distributed shall be used solely for the  
10 maintenance of city connecting links. Maintenance of such city connecting  
11 links shall be as prescribed in K.S.A. 68-416a, and amendments thereto.  
12 As used in this subsection, "lane" means the portion of the roadway for use  
13 of moving traffic of a standard width prescribed by the secretary. In lieu of  
14 such apportionment, the secretary, by and with the consent of the  
15 governing body of any city within the state of Kansas, may maintain such  
16 streets within the city and pay for such maintenance from the highway  
17 fund.

18 (b) All of the remainder of such highway fund shall be used by the  
19 secretary of transportation for:

20 (1) The construction, improvement, reconstruction and maintenance  
21 of the state highway system;

22 (2) improvements in transportation programs to aid elderly persons,  
23 persons with disabilities and the general public;

24 (3) for any purpose specified in K.S.A. 68-2314b, and amendments  
25 thereto;

26 (4) *for any purpose specified in section 1, and amendments thereto;*

27 (5) the support and maintenance of the department of transportation;

28 ~~(5)~~(6) the expenses of administering the motor vehicle registration  
29 and drivers' license laws; and

30 ~~(6)~~(7) the payment of losses to department of transportation  
31 employees authorized by K.S.A. 75-5062, and amendments thereto.

32 Sec. ~~6~~ 7. K.S.A. 68-2315 is hereby amended to read as follows: 68-  
33 2315. (a) Annually, prior to the 10<sup>th</sup> day of each regular session of the  
34 legislature, the secretary of transportation shall submit a written report to  
35 the governor and each member of the legislature providing:

36 ~~(a)~~(1) Summary financial information and a statement of assurance  
37 that the department of transportation has prepared a comprehensive  
38 financial report of all funds for the preceding year which includes a report  
39 by independent public accountants attesting that the financial statements  
40 present fairly the financial position of the Kansas department of  
41 transportation in conformity with generally accepted accounting principles  
42 and a notification that the complete comprehensive financial report,  
43 including the auditor's report is available upon request;

1       ~~(b)(2)~~ for the report due in 2021, a detailed explanation of the  
2 methods or criteria employed in the selection of transportation projects  
3 under K.S.A. 68-2314b(b), and amendments thereto, and in the awarding  
4 of assistance to cities, counties or other transportation providers;

5       (3) a detailed explanation of the methods or criteria employed in the  
6 selection of transportation projects under ~~subsection (b) of K.S.A. 68-~~  
7 ~~2314b~~ section 1(b) and (d)(1) through (d)(6), and amendments thereto, and  
8 in the awarding of assistance to cities, counties or other transportation  
9 providers, *including an explanation of the amounts expended and projects*  
10 *selected for construction, projects selected for development and when and*  
11 *where the next local consults are to take place;*

12       ~~(e)(4)~~ the proposed allocation and expenditure of moneys and  
13 proposed work plan for the current fiscal year and at least the next five  
14 years;

15       ~~(d)(5)~~ information concerning construction work completed in the  
16 preceding fiscal year and construction work in progress;

17       **(4) anticipated annual payouts of construction projects already**  
18 **under contract and any proposed construction projects for the next**  
19 **three fiscal years. Such payouts shall be listed separately for those**  
20 **payouts for preservation projects from payouts for modernization and**  
21 **expansion projects;**

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

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

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

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

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

36       ~~(e)(6)(10)~~ information concerning the operation and financial  
37 condition of the transportation revolving fund;

38       ~~(f)(7)(11)~~ the annual allocation and expenditure of moneys from the  
39 coordinated public transportation assistance fund under K.S.A. 75-5035,  
40 and amendments thereto;

41       ~~(g)(8)(12)~~ the annual allocation and expenditure of moneys from the  
42 rail service improvement fund under K.S.A. 75-5048, and amendments  
43 thereto, including specific information relating to any grants or loans made

1 under such program;

2 ~~(h)(9)~~**(13)** the annual allocation and expenditure of moneys from the  
3 public use general aviation airport development fund under K.S.A. 75-  
4 5061, and amendments thereto, including specific information relating to  
5 grants made under such program;

6 ~~(h)(10)~~**(14)** *the annual allocation and expenditure of moneys from the*  
7 *transportation technology development fund under section 2, and*  
8 *amendments thereto, including specific information relating to grants*  
9 *made pursuant to section 2, and amendments thereto;*

10 ~~(h)(11)~~**(15)** *the annual allocation and expenditure of moneys from the*  
11 *broadband infrastructure construction grant fund under section 3, and*  
12 *amendments thereto, including specific information relating to grants*  
13 *made pursuant to section 3, and amendments thereto;*

14 ~~(h)(12)~~**(16)** *information concerning funding shifts between the state*  
15 *highway fund and the funds specified in subsections (a)(7) through (a)*  
16 *(10);*

17 ~~(h)(13)~~**(17)** *for the report due in 2021, specific recommendations for any*  
18 *statutory changes necessary for the successful completion of the*  
19 *transportation program specified in K.S.A. 68-2314b, and amendments*  
20 *thereto, or efficient and effective operation of the Kansas department of*  
21 *transportation;*

22 ~~(i)(14)~~**(18)** *specific recommendations for any statutory changes*  
23 *necessary for the successful completion of the transportation program*  
24 *specified in ~~K.S.A. 68-2314b~~ section 1, and amendments thereto, or*  
25 *efficient and effective operation of the Kansas department of*  
26 *transportation; ~~and~~*

27 ~~(i)(15)~~**(19)** *information concerning the condition and performance of*  
28 *the state highway system; and*

29 ~~(i)(16)~~**(20)** *an explanation of any material changes from the previous*  
30 *annual report.*

31 *(b) In addition to the governor and each member of the legislature,*  
32 *the secretary shall post the report on the official internet page for the*  
33 *Kansas department of transportation and shall provide notice of the online*  
34 *posting to all persons or entities requesting such notice. Persons or*  
35 *entities requesting notice shall provide the secretary an email address via*  
36 *the Kansas department of transportation's official internet page.*

37 ~~Sec. 7.~~ **8.** K.S.A. 68-2316 is hereby amended to read as follows: 68-  
38 2316. *(a) For the period beginning July 1, 2010, through June 30, 2020,*  
39 *the secretary of transportation shall expend or commit to expend, from the*  
40 *revenue provided under the provisions of the transportation works for*  
41 *Kansas program, at least \$8,000,000 for projects or programs authorized*  
42 *under K.S.A. 68-2314b, and amendments thereto, in each county of the*  
43 *state.*

1       (b) *For the period beginning July 1, 2020, through June 30, 2030, the*  
2 *secretary shall expend or commit to expend, from the revenue provided*  
3 *under the provisions of the ~~FORWARD~~ Eisenhower legacy*  
4 **transportation** *program, at least \$8,000,000 for projects or programs*  
5 *authorized under section 1, and amendments thereto, in each county of the*  
6 *state.*

7       ~~Sec. 8.~~ **9.** K.S.A. 75-5035 is hereby amended to read as follows: 75-  
8 5035. (a) There is hereby established in the state treasury the coordinated  
9 public transportation assistance fund. Any expenditures from the fund shall  
10 be for the coordinated development, improvement or maintenance of  
11 transportation systems for elderly persons, persons with disabilities or the  
12 general public under this act and shall be made in accordance with  
13 appropriation acts upon warrants of the director of accounts and reports  
14 issued pursuant to vouchers approved by the secretary *of transportation* or  
15 by a person designated by the secretary.

16       (b) (1) On July 1, 1999, and each July 1 thereafter through July 1,  
17 2012, the director of accounts and reports shall transfer \$6,000,000 from  
18 the state highway fund to the coordinated public transportation assistance  
19 fund.

20       (2) On July 1, 2013, and each July 1; thereafter, the director of  
21 accounts and reports shall transfer \$11,000,000 from the state highway  
22 fund to the coordinated public transportation assistance fund. *The*  
23 *secretary is hereby authorized to transfer additional moneys to the*  
24 *coordinated public transportation assistance fund from the state highway*  
25 *fund and moneys from the coordinated public transportation assistance*  
26 *fund to the state highway fund. In no event shall the amount remaining in*  
27 *the fund and the amount spent or dedicated for grants or projects in each*  
28 *fiscal year fall below \$11,000,000.*

29       ~~Sec. 9.~~ **10.** K.S.A. 75-5048 is hereby amended to read as follows: 75-  
30 5048. (a) The secretary of transportation is hereby authorized to make  
31 loans or grants to a qualified entity for the purpose of facilitating the  
32 financing, acquisition or rehabilitation of railroads and rolling stock in the  
33 state of Kansas.

34       (b) Such loans or grants shall be made upon such terms and  
35 conditions as the secretary ~~of transportation~~ may deem appropriate, and  
36 such loans or grants shall be made from funds credited to the rail service  
37 improvement fund.

38       (c) The rail service improvement fund is hereby established in the  
39 state treasury which shall be for the purpose of facilitating the financing,  
40 acquisition and rehabilitation of railroads pursuant to subsection (a) of this  
41 section and for the refinancing thereof. The secretary ~~of transportation~~  
42 shall administer the rail service improvement fund. All expenditures from  
43 the rail service improvement fund shall be made in accordance with

1 appropriation acts upon warrants of the director of accounts and reports  
2 issued pursuant to vouchers approved by the secretary of transportation or  
3 by a person or persons designated by the secretary.

4 (d) All moneys received from the federal government, pursuant to  
5 K.S.A. 75-5026, and amendments thereto, shall be remitted to the state  
6 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
7 amendments thereto. Upon receipt of each such remittance, the state  
8 treasurer shall deposit the entire amount in the state treasury to the credit  
9 of the rail service improvement fund.

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

15 (f) On July 1, 2013, and each July 1 thereafter, the director of  
16 accounts and reports shall transfer \$5,000,000 from the state highway fund  
17 to the rail service improvement fund. ~~(g) — The secretary of transportation~~  
18 ~~is hereby authorized to transfer moneys from the state highway fund to the~~  
19 ~~rail service improvement fund or from the rail service improvement fund~~  
20 ~~to the state highway fund. In transferring moneys from the rail service~~  
21 ~~improvement fund, the secretary of transportation shall not diminish the~~  
22 ~~moneys transferred under subsection (f) In no event shall the amount~~  
23 ~~remaining in the rail service fund and the amount spent or dedicated for~~  
24 ~~loans or grants in each fiscal year be less than \$5,000,000.~~

25 ~~(h)(g)~~ As used in this section, "qualified entity" means any interstate  
26 commerce commission certificated railroad, a port authority established in  
27 accordance with Kansas laws, or any entity meeting the rules and  
28 regulations established by K.S.A. 75-5050, and amendments thereto.

29 ~~Sec. 11.~~ K.S.A. 75-5061 is hereby amended to read as follows:  
30 75-5061. (a) The secretary of transportation is hereby authorized and  
31 empowered to: (1) Solicit and receive moneys from any public or private  
32 sources; and (2) establish and administer a grant program for public use  
33 general aviation airports for the purpose of planning, constructing,  
34 reconstructing or rehabilitating the facilities of such public use general  
35 aviation airports.

36 (b) Such grants shall be made upon such terms and conditions as the  
37 secretary of transportation deems appropriate, and such grants shall be  
38 made from funds credited to the public use general aviation airport  
39 development fund.

40 (c) The public use general aviation airport development fund is  
41 hereby established in the state treasury which shall be for the purpose of  
42 planning, constructing, reconstructing or rehabilitating the facilities of  
43 public use general aviation airports pursuant to subsection (a) of this

1 section. All moneys received pursuant to subsection (a) shall be remitted to  
2 the state treasurer at least monthly and deposited in the state treasury to the  
3 credit of the public use general aviation airport development fund. The  
4 ~~secretary of transportation~~ shall administer the public use general aviation  
5 airport development fund. All expenditures from the public use general  
6 aviation airport development fund shall be made in accordance with  
7 appropriation acts upon warrants of the director of accounts and reports  
8 issued pursuant to vouchers approved by the ~~secretary of transportation~~ or  
9 by a person or persons designated by the secretary.

10 (d) (1) On July 1, 1999, and each July 1 thereafter through July 1,  
11 2012, the director of accounts and reports shall transfer \$3,000,000 from  
12 the state highway fund to the public use general aviation airport  
13 development fund.

14 (2) On July 1, 2013, and each July 1, thereafter, the director of  
15 accounts and reports shall transfer \$5,000,000 from the state highway fund  
16 to the public use general aviation airport development fund. *The secretary*  
17 *is hereby authorized to transfer additional moneys to the public use*  
18 *general aviation airport development fund from the state highway fund,*  
19 *and moneys from the public use general aviation airport development fund*  
20 *to the state highway fund. In no event shall the amount remaining in the*  
21 *public use general aviation airport development fund and the amount*  
22 *spent or dedicated for grants in each fiscal year be less than \$5,000,000.*

23 (e) As used in this section, "public use general aviation airport"  
24 means any airport available for use by the general public for the landing  
25 and taking off of aircraft, but shall not include any airport classified as a  
26 primary airport by the federal aviation administration.

27 (f) ~~The secretary of transportation~~ may adopt rules and regulations for  
28 the purpose of implementing the provisions of this section.

29 ~~Sec. 12.~~ **12.** K.S.A. 79-3603 is hereby amended to read as follows:  
30 79-3603. For the privilege of engaging in the business of selling tangible  
31 personal property at retail in this state or rendering or furnishing any of the  
32 services taxable under this act, there is hereby levied and there shall be  
33 collected and paid a tax at the rate of ~~6.15%, and commencing July 1,~~  
34 ~~2015, at the rate of 6.5%. On and after July 1, 2021, 16.154% of the 6.5%~~  
35 *rate imposed shall be levied for the state highway fund, the state highway*  
36 *fund purposes and those purposes specified in K.S.A. 68-416, and*  
37 *amendments thereto, and all revenue collected and received from such tax*  
38 *levy shall be deposited in the state highway fund. Within a redevelopment*  
39 *district established pursuant to K.S.A. 74-8921, and amendments thereto,*  
40 *there is hereby levied and there shall be collected and paid an additional*  
41 *tax at the rate of 2% until the earlier of the date the bonds issued to finance*  
42 *or refinance the redevelopment project have been paid in full or the final*  
43 *scheduled maturity of the first series of bonds issued to finance any part of*

1 the project upon:

2 (a) The gross receipts received from the sale of tangible personal  
3 property at retail within this state;

4 (b) the gross receipts from intrastate, interstate or international  
5 telecommunications services and any ancillary services sourced to this  
6 state in accordance with K.S.A. 79-3673, and amendments thereto, except  
7 that telecommunications service does not include: (1) Any interstate or  
8 international 800 or 900 service; (2) any interstate or international private  
9 communications service as defined in K.S.A. 79-3673, and amendments  
10 thereto; (3) any value-added nonvoice data service; (4) any  
11 telecommunication service to a provider of telecommunication services  
12 which will be used to render telecommunications services, including  
13 carrier access services; or (5) any service or transaction defined in this  
14 section among entities classified as members of an affiliated group as  
15 provided by section 1504 of the federal internal revenue code of 1986, as  
16 in effect on January 1, 2001;

17 (c) the gross receipts from the sale or furnishing of gas, water,  
18 electricity and heat, which sale is not otherwise exempt from taxation  
19 under the provisions of this act, and whether furnished by municipally or  
20 privately owned utilities, except that, on and after January 1, 2006, for  
21 sales of gas, electricity and heat delivered through mains, lines or pipes to  
22 residential premises for noncommercial use by the occupant of such  
23 premises, and for agricultural use and also, for such use, all sales of  
24 propane gas, the state rate shall be 0%; and for all sales of propane gas, LP  
25 gas, coal, wood and other fuel sources for the production of heat or  
26 lighting for noncommercial use of an occupant of residential premises, the  
27 state rate shall be 0%, but such tax shall not be levied and collected upon  
28 the gross receipts from: (1) The sale of a rural water district benefit unit;  
29 (2) a water system impact fee, system enhancement fee or similar fee  
30 collected by a water supplier as a condition for establishing service; or (3)  
31 connection or reconnection fees collected by a water supplier;

32 (d) the gross receipts from the sale of meals or drinks furnished at any  
33 private club, drinking establishment, catered event, restaurant, eating  
34 house, dining car, hotel, drugstore or other place where meals or drinks are  
35 regularly sold to the public;

36 (e) the gross receipts from the sale of admissions to any place  
37 providing amusement, entertainment or recreation services including  
38 admissions to state, county, district and local fairs, but such tax shall not  
39 be levied and collected upon the gross receipts received from sales of  
40 admissions to any cultural and historical event which occurs triennially;

41 (f) the gross receipts from the operation of any coin-operated device  
42 dispensing or providing tangible personal property, amusement or other  
43 services except laundry services, whether automatic or manually operated;

1 (g) the gross receipts from the service of renting of rooms by hotels,  
2 as defined by K.S.A. 36-501, and amendments thereto, or by  
3 accommodation brokers, as defined by K.S.A. 12-1692, and amendments  
4 thereto, but such tax shall not be levied and collected upon the gross  
5 receipts received from sales of such service to the federal government and  
6 any agency, officer or employee thereof in association with the  
7 performance of official government duties;

8 (h) the gross receipts from the service of renting or leasing of tangible  
9 personal property except such tax shall not apply to the renting or leasing  
10 of machinery, equipment or other personal property owned by a city and  
11 purchased from the proceeds of industrial revenue bonds issued prior to  
12 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through  
13 12-1749, and amendments thereto, and any city or lessee renting or leasing  
14 such machinery, equipment or other personal property purchased with the  
15 proceeds of such bonds who shall have paid a tax under the provisions of  
16 this section upon sales made prior to July 1, 1973, shall be entitled to a  
17 refund from the sales tax refund fund of all taxes paid thereon;

18 (i) the gross receipts from the rendering of dry cleaning, pressing,  
19 dyeing and laundry services except laundry services rendered through a  
20 coin-operated device whether automatic or manually operated;

21 (j) the gross receipts from the rendering of the services of washing  
22 and washing and waxing of vehicles;

23 (k) the gross receipts from cable, community antennae and other  
24 subscriber radio and television services;

25 (l) (1) except as otherwise provided by paragraph (2), the gross  
26 receipts received from the sales of tangible personal property to all  
27 contractors, subcontractors or repairmen for use by them in erecting  
28 structures, or building on, or otherwise improving, altering, or repairing  
29 real or personal property.

30 (2) Any such contractor, subcontractor or repairman who maintains  
31 an inventory of such property both for sale at retail and for use by them for  
32 the purposes described by paragraph (1) shall be deemed a retailer with  
33 respect to purchases for and sales from such inventory, except that the  
34 gross receipts received from any such sale, other than a sale at retail, shall  
35 be equal to the total purchase price paid for such property and the tax  
36 imposed thereon shall be paid by the deemed retailer;

37 (m) the gross receipts received from fees and charges by public and  
38 private clubs, drinking establishments, organizations and businesses for  
39 participation in sports, games and other recreational activities, but such tax  
40 shall not be levied and collected upon the gross receipts received from: (1)  
41 Fees and charges by any political subdivision, by any organization exempt  
42 from property taxation pursuant to K.S.A. 79-201 *Ninth*, and amendments  
43 thereto, or by any youth recreation organization exclusively providing

1 services to persons 18 years of age or younger which is exempt from  
2 federal income taxation pursuant to section 501(c)(3) of the federal  
3 internal revenue code of 1986, for participation in sports, games and other  
4 recreational activities; and (2) entry fees and charges for participation in a  
5 special event or tournament sanctioned by a national sporting association  
6 to which spectators are charged an admission which is taxable pursuant to  
7 subsection (e);

8 (n) the gross receipts received from dues charged by public and  
9 private clubs, drinking establishments, organizations and businesses,  
10 payment of which entitles a member to the use of facilities for recreation  
11 or entertainment, but such tax shall not be levied and collected upon the  
12 gross receipts received from: (1) Dues charged by any organization exempt  
13 from property taxation pursuant to K.S.A. 79-201 *Eighth* and *Ninth*, and  
14 amendments thereto; and (2) sales of memberships in a nonprofit  
15 organization which is exempt from federal income taxation pursuant to  
16 section 501(c)(3) of the federal internal revenue code of 1986, and whose  
17 purpose is to support the operation of a nonprofit zoo;

18 (o) the gross receipts received from the isolated or occasional sale of  
19 motor vehicles or trailers but not including: (1) The transfer of motor  
20 vehicles or trailers by a person to a corporation or limited liability  
21 company solely in exchange for stock securities or membership interest in  
22 such corporation or limited liability company; (2) the transfer of motor  
23 vehicles or trailers by one corporation or limited liability company to  
24 another when all of the assets of such corporation or limited liability  
25 company are transferred to such other corporation or limited liability  
26 company; or (3) the sale of motor vehicles or trailers which are subject to  
27 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and  
28 amendments thereto, by an immediate family member to another  
29 immediate family member. For the purposes of paragraph (3), immediate  
30 family member means lineal ascendants or descendants, and their spouses.  
31 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act  
32 on the isolated or occasional sale of motor vehicles or trailers on and after  
33 July 1, 2004, which the base for computing the tax was the value pursuant  
34 to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when  
35 such amount was higher than the amount of sales tax which would have  
36 been paid under the law as it existed on June 30, 2004, shall be refunded to  
37 the taxpayer pursuant to the procedure prescribed by this section. Such  
38 refund shall be in an amount equal to the difference between the amount of  
39 sales tax paid by the taxpayer and the amount of sales tax which would  
40 have been paid by the taxpayer under the law as it existed on June 30,  
41 2004. Each claim for a sales tax refund shall be verified and submitted not  
42 later than six months from the effective date of this act to the director of  
43 taxation upon forms furnished by the director and shall be accompanied by

1 any additional documentation required by the director. The director shall  
2 review each claim and shall refund that amount of tax paid as provided by  
3 this act. All such refunds shall be paid from the sales tax refund fund, upon  
4 warrants of the director of accounts and reports pursuant to vouchers  
5 approved by the director of taxation or the director's designee. No refund  
6 for an amount less than \$10 shall be paid pursuant to this act. In  
7 determining the base for computing the tax on such isolated or occasional  
8 sale, the fair market value of any motor vehicle or trailer traded in by the  
9 purchaser to the seller may be deducted from the selling price;

10 (p) the gross receipts received for the service of installing or applying  
11 tangible personal property which when installed or applied is not being  
12 held for sale in the regular course of business, and whether or not such  
13 tangible personal property when installed or applied remains tangible  
14 personal property or becomes a part of real estate, except that no tax shall  
15 be imposed upon the service of installing or applying tangible personal  
16 property in connection with the original construction of a building or  
17 facility, the original construction, reconstruction, restoration, remodeling,  
18 renovation, repair or replacement of a residence or the construction,  
19 reconstruction, restoration, replacement or repair of a bridge or highway.

20 For the purposes of this subsection:

21 (1) "Original construction" shall mean the first or initial construction  
22 of a new building or facility. The term "original construction" shall include  
23 the addition of an entire room or floor to any existing building or facility,  
24 the completion of any unfinished portion of any existing building or  
25 facility and the restoration, reconstruction or replacement of a building,  
26 facility or utility structure damaged or destroyed by fire, flood, tornado,  
27 lightning, explosion, windstorm, ice loading and attendant winds,  
28 terrorism or earthquake, but such term, except with regard to a residence,  
29 shall not include replacement, remodeling, restoration, renovation or  
30 reconstruction under any other circumstances;

31 (2) "building" shall mean only those enclosures within which  
32 individuals customarily are employed, or which are customarily used to  
33 house machinery, equipment or other property, and including the land  
34 improvements immediately surrounding such building;

35 (3) "facility" shall mean a mill, plant, refinery, oil or gas well, water  
36 well, feedlot or any conveyance, transmission or distribution line of any  
37 cooperative, nonprofit, membership corporation organized under or subject  
38 to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or  
39 municipal or quasi-municipal corporation, including the land  
40 improvements immediately surrounding such facility;

41 (4) "residence" shall mean only those enclosures within which  
42 individuals customarily live;

43 (5) "utility structure" shall mean transmission and distribution lines

1 owned by an independent transmission company or cooperative, the  
2 Kansas electric transmission authority or natural gas or electric public  
3 utility; and

4 (6) "windstorm" shall mean straight line winds of at least 80 miles per  
5 hour as determined by a recognized meteorological reporting agency or  
6 organization;

7 (q) the gross receipts received for the service of repairing, servicing,  
8 altering or maintaining tangible personal property which when such  
9 services are rendered is not being held for sale in the regular course of  
10 business, and whether or not any tangible personal property is transferred  
11 in connection therewith. The tax imposed by this subsection shall be  
12 applicable to the services of repairing, servicing, altering or maintaining an  
13 item of tangible personal property which has been and is fastened to,  
14 connected with or built into real property;

15 (r) the gross receipts from fees or charges made under service or  
16 maintenance agreement contracts for services, charges for the providing of  
17 which are taxable under the provisions of subsection (p) or (q);

18 (s) on and after January 1, 2005, the gross receipts received from the  
19 sale of prewritten computer software and the sale of the services of  
20 modifying, altering, updating or maintaining prewritten computer  
21 software, whether the prewritten computer software is installed or  
22 delivered electronically by tangible storage media physically transferred to  
23 the purchaser or by load and leave;

24 (t) the gross receipts received for telephone answering services;

25 (u) the gross receipts received from the sale of prepaid calling service  
26 and prepaid wireless calling service as defined in K.S.A. 79-3673, and  
27 amendments thereto;

28 (v) all sales of bingo cards, bingo faces and instant bingo tickets by  
29 licensees under K.S.A. 75-5171 et seq., and amendments thereto, shall be  
30 exempt from taxes imposed pursuant to this section; and

31 (w) all sales of charitable raffle tickets in accordance with K.S.A. 75-  
32 5171 et seq., and amendments thereto, shall be exempt from taxes imposed  
33 pursuant to this section.

34 ~~Sec. 12.~~ **13.** K.S.A. 79-3703 is hereby amended to read as follows:  
35 79-3703. There is hereby levied and there shall be collected from every  
36 person in this state a tax or excise for the privilege of using, storing, or  
37 consuming within this state any article of tangible personal property. Such  
38 tax shall be levied and collected in an amount equal to the consideration  
39 paid by the taxpayer multiplied by the rate of 6.5%. *On and after July 1,*  
40 *2021, 16.154% at the 6.5% rate imposed shall be levied for the state*  
41 *highway fund, the state highway fund purposes and those purposes*  
42 *specified in K.S.A. 68-416, and amendments thereto, and all revenue*  
43 *collected and received from such tax levy shall be deposited in the state*

1 *highway fund*. Within a redevelopment district established pursuant to  
2 K.S.A. 74-8921, and amendments thereto, there is hereby levied and there  
3 shall be collected and paid an additional tax of 2% until the earlier of: (1)  
4 The date the bonds issued to finance or refinance the redevelopment  
5 project undertaken in the district have been paid in full; or (2) the final  
6 scheduled maturity of the first series of bonds issued to finance the  
7 redevelopment project. All property purchased or leased within or without  
8 this state and subsequently used, stored or consumed in this state shall be  
9 subject to the compensating tax if the same property or transaction would  
10 have been subject to the Kansas retailers' sales tax had the transaction been  
11 wholly within this state.

12 ~~Sec. 13.~~ **14.** K.S.A. 68-416, 68-2315, 68-2316, 75-5035, 75-5048, 75-  
13 5061, 79-3603 and 79-3703 are hereby repealed.

14 ~~Sec. 14.~~ **15.** This act shall take effect and be in force from and after  
15 its publication in the statute book.