

SESSION OF 2024

SUPPLEMENTAL NOTE ON SENATE BILL NO. 349

As Recommended by Senate Committee on
Transportation

Brief*

SB 349 would require the Secretary of Transportation (Secretary) to establish and implement an intercity passenger rail service program. The bill would require the Secretary to develop and provide funding 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 bill would require the Secretary to provide funding to cover the costs of projects and operating services for Amtrak or any common rail carrier approved by the Federal Railroad Administration.

The bill would also, on July 1, 2024, and July 1 every year through 2034, direct the Secretary, in consultation with the Director of the Budget, to determine the amount of unencumbered moneys in the State General Fund (SGF), the State Highway Fund (SHF), or any special revenue fund or funds of the Kansas Department of Transportation (KDOT) that may be used for the Intercity Passenger Rail Service Program (Program). The bill would require the Secretary to certify the amount from each of these funds to the Director of Accounts and Reports, who would immediately transfer an aggregate amount of \$5.0 million each fiscal year from the certified funds to the Passenger Rail Service Revolving Fund (Fund). The bill also would require the Secretary to provide copies of the certification to the Director of Legislative Research and the Director of the Budget.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

The bill was introduced by the Senate Committee on Ways and Means at the request of a representative of the Northern Flyer Alliance.

Senate Committee on Transportation

In the Senate Committee hearing, **proponent** testimony was provided by representatives of the Arkansas City mayor and commissioners, KDOT, Kansas Sierra Club, Northern Flyer Alliance, Inc., and Sheet Metal, Air, Rail and Transportation Workers; the mayors of McPherson, Kansas, and Ponca City, Oklahoma; a councilwoman from the City of Topeka; and one private citizen. The proponents stated that the Program will be greatly beneficial to the Kansas economy, connecting Kansans to other states, and assisting the elderly and student populations in traveling. They also described the efficiency and affordability of passenger rail travel compared to alternatives such as flying or driving and noted the Heartland Flyer Extension, to connect Newton with Oklahoma City by rail, has recently received federal grant funding for development of the route.

Written-only proponent testimony was provided by representatives of the cities of Dodge City, Garden City, Shawnee, and Wichita and Guthrie, Oklahoma; Greater Oklahoma City Chamber; League of Kansas Municipalities; Leavenworth County Commissioners; and Southwest Kansas Coalition; and by nine private citizens.

No other testimony was provided.

Fiscal Information

According to the fiscal note provided by the Division of Budget on the bill, KDOT indicates enactment of the bill would require \$5.0 million of unencumbered funds from the

SGF, the SHF, and special revenue funds to be transferred to the Fund each fiscal year from FY 2025 to FY 2035. Under the current KDOT budget, no unencumbered funds are available to be transferred from the SHF. Additionally, SHF revenues estimated to be received during the Eisenhower Legacy Transportation Program (IKE) will be used for current and future IKE projects. KDOT also indicates that transferring special revenue funds to the Fund may expose KDOT to legal challenges from using special revenue funds for a purpose other than their intended statutory purpose. KDOT does not currently receive appropriations from the SGF.

KDOT also indicates the new Program would require a 1.0 new FTE position, a Public Service Executive II or higher, with a cost to the agency of \$92,661 for FY 2025. This amount includes a base salary of \$64,285 plus benefits totaling \$28,376. Therefore, KDOT would need an increase to the expenditure limitation of the agency operations account by \$92,661 beginning in FY 2025.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Railroad; passenger rail service; Kansas Department of Transportation; Passenger Rail Service Revolving Fund; Intercity Passenger Rail Service Program