

SESSION OF 2019

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 190**

As Amended by Senate Committee on Ways  
and Means

**Brief\***

SB 190, as amended, would authorize transfers from the State General Fund (SGF) to the Local *Ad Valorem* Tax Reduction Fund (LAVTRF) and the County and City Revenue Sharing Fund (CCRSF) for counties and cities with approved projects related to expansion or modernization of a road or a bridge improvement (project), if certain conditions are met, and the project plan is approved by the Secretary of Transportation (Secretary).

***Project Plan Requirements***

The bill would allow any county to submit a project plan to the Secretary. The bill would also allow for cities within a county and adjacent counties to enter into agreements with the county to implement a project.

The bill would require a project plan submitted by a county to the Secretary to include a local match of at least 20.0 percent of the total cost of the project of the participating cities or counties.

***LAVTRF and CCRSF Allowances***

The bill would amend law to suspend the LAVTRF and CCRSF transfers from the SGF from 2020 until 2025. During this moratorium, a county may submit a project plan to the

---

\*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>

Secretary. If such project plan is approved by the Secretary, all participating cities and counties in the project plan would be allowed to receive their statutory portion of both the LAVTRF and the CCRSF transfers during the fiscal years of the life of the construction phase of such approved project. The bill would also specify the certification and receipt procedure of such transfers.

The bill would clarify and further specify transfer allowance amounts from the LAVTRF and CCRSF for participating cities and counties with approved project plans could be expended only for approved projects. The bill would not authorize a city or county to receive:

- Any amount attributed to another local unit of government;
- Any amount in excess of the total cost of the project; or
- Moneys if the proposed project plan is included in the 2020 transportation planning program.

## **Background**

The bill was introduced in the Senate Committee on Ways and Means at the request of Senator McGinn. The bill addresses a recommendation of the Joint Legislative Transportation Vision Task Force, which met during the 2018 Interim.

In the Senate Committee on Ways and Means hearing, representatives of the Kansas Contractors Association, League of Kansas Municipalities, and the Wichita Regional Chamber of Commerce provided proponent testimony. Proponents stated the bill would help provide funding flexibility and needed assistance to support the transportation system. Written-only proponent testimony was provided by a representative of the Kansas Association of Counties.

The Kansas Department of Transportation (KDOT) provided neutral written-only testimony. No opponent testimony was provided.

The Senate Committee on Ways and Means amended the bill to:

- Require projects be for expansion or modernization of roads or bridge improvement projects rather than new construction;
- Change language that would have suspended the LAVTRF and the CCRSF through 2030, to reduce this time frame to through 2025;
- Require local match from other moneys of the participating cities or counties of at least 20.0 percent of the total cost of the project; and
- Further specify funding for project plans approved by the Secretary for counties and cities from apportionment from SGF transfers to the LAVTRF and the CCRSF be limited to use for the approved plan; not from any amount attributed to another local unit of government; any amount in excess of the total cost of the approved project; or if the proposed project plan is included in the 2020 transportation planning program.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the precise fiscal effect on the SGF revenues from the passage of this bill cannot be determined. If the transfers were resumed in FY 2021, potentially \$54.0 million would be transferred from the SGF to the LAVTRF, and \$78.1 million would be transferred from the SGF to the LAVTRF for distribution *via* statutory formula. KDOT estimates it would need to hire 1.0 Public Service Administrator full-time equivalent position to manage the plans received for review by the Secretary of Transportation. KDOT estimates it could absorb expenditures for this position

within existing resources. Any fiscal effect associated with the bill, as introduced, is not reflected in *The FY 2020 Governor's Budget Report*.