

HOUSE BILL No. 2750

By Committee on Appropriations

2-6

9 AN ACT concerning governmental agencies; transferring the alternative
10 fuels loan program to the Kansas corporation commission; amending
11 K.S.A. 75-37,116, 75-37,117 and 75-37,119 and K.S.A. 2003 Supp. 75-
12 37,118 and repealing the existing sections.
13

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

15 New Section 1. (a) The alternative fuels loan program provided for
16 in K.S.A. 75-37,116 *et seq.*, and amendments thereto, is hereby trans-
17 ferred from the department of administration to the Kansas corporation
18 commission in accordance with this act. All of the powers, duties and
19 functions of the secretary of administration that relate to the alternative
20 fuels loan program are hereby transferred to and imposed upon the Kan-
21 sas corporation commission.

22 (b) Whenever the secretary of administration or the department of
23 administration, or words of like effect, are referred to or designated by a
24 statute, contract or other document, and such reference is in regard to
25 any of the powers, duties or functions transferred to the Kansas corpo-
26 ration commission by this section, such reference or designation shall be
27 deemed to apply to the Kansas corporation commission.

28 (c) All rules and regulations, orders and directives of the secretary of
29 administration that relate to the functions transferred by this section and
30 that are in effect on the effective date of this act shall continue to be
31 effective and shall be deemed to be rules and regulations, orders and
32 directives of the Kansas corporation commission until revised, amended,
33 revoked or nullified pursuant to law.

34 (d) The Kansas corporation commission shall succeed to all property,
35 property rights and records pertaining to the alternative fuels loan pro-
36 gram transferred by this act. Any conflict as to the proper disposition of
37 property or records arising under this act shall be determined by the
38 governor, whose decision shall be final.

39 (e) No suit, action or other proceeding, judicial or administrative,
40 lawfully commenced, or which could have been commenced, by or against
41 any state agency or program mentioned in this act, or by or against any
42 officer of the state in such officer's official capacity or in relation to the
43 discharge of such officer's official duties, shall abate by reason of the

1 governmental reorganization effected under the provisions of this act. The
2 court may allow any such suit, action or other proceeding to be main-
3 tained by or against the successor of any such state agency or any officer
4 affected.

5 (f) On the effective date of this act, the balances of all funds or ac-
6 counts thereof appropriated or reappropriated for the department of ad-
7 ministration that are attributable to the powers, duties and functions
8 transferred by this act are hereby transferred within the state treasury to
9 the Kansas corporation commission and shall be used only for the purpose
10 for which the appropriation was originally made.

11 (g) When any conflict arises as to the disposition of any property,
12 power, duty or function or the unexpended balance of any appropriation
13 as a result of any abolition or transfer made by or under the authority of
14 this act, such conflict shall be resolved by the governor, whose decision
15 shall be final. No criminal action commenced or which could have been
16 commenced by the state shall abate by the taking effect of this act.

17 Sec. 2. K.S.A. 75-37,116 is hereby amended to read as follows: 75-
18 37,116. As used in K.S.A. 75-37,116 through 75-37,119 and amendments
19 thereto:

20 (a) "Alternative fuel" has the meaning provided by 42 U.S.C. 13211.

21 (b) "Alternative-fueled vehicle" means a vehicle that operates on an
22 alternative fuel and that meets or exceeds the clean fuel vehicle standards
23 in the federal clean air act amendments of 1990, Title II.

24 (c) "*Commission*" means *the Kansas corporation commission*.

25 (d) "Fueling station" means the property which is directly related to
26 the delivery of alternative fuel into the fuel tank of a motor vehicle pro-
27 pelled by such fuel, including the compression equipment and storage
28 vessels for such fuel at the point where such fuel is delivered.

29 ~~(d)~~ (e) "Government agency" means a county, a city, a school district
30 or another governmental unit, including a public transit agency.

31 ~~(e)~~ (f) "Government fleet" means a fleet of 10 or more motor vehicles
32 owned and operated by a government agency.

33 ~~(f)~~ (g) "Incremental cost" means the cost that results from subtracting
34 the manufacturer's list price of the vehicle operating on conventional
35 gasoline or diesel fuel from the manufacturer's list price of the same
36 model vehicle designed to operate on an alternate fuel.

37 ~~(g)~~ "Secretary" means ~~the secretary of administration~~.

38 Sec. 3. K.S.A. 75-37,117 is hereby amended to read as follows: 75-
39 37,117. (a) There is hereby established the alternative fuels loan program
40 for the purpose of making loans to government agencies ~~which~~ *that* own
41 and operate motor vehicles to encourage and assist them to *implement*
42 *the following initiatives*:

43 (1) Purchase new ~~alternative-motor-fueled~~ *alternative-fueled motor*

1 vehicles;

2 (2) convert existing motor vehicles ~~which~~ *that* operate on gasoline
3 and diesel fuel to operate on alternative fuels; and

4 (3) construct motor vehicle fueling facilities to serve alternative-fu-
5 eled vehicles.

6 (b) The ~~alternative-fuels~~ *alternative fuels* loan program shall be ad-
7 ministered by the ~~secretary~~ *commission*. The ~~secretary shall~~ *commission*
8 *may* adopt rules and regulations establishing procedures, criteria and con-
9 ditions for making loans from the alternative-fuels government fleet loan
10 fund and such other rules and regulations as necessary to operate the
11 alternative-fuels loan program.

12 Sec. 4. K.S.A. 2003 Supp. 75-37,118 is hereby amended to read as
13 follows: 75-37,118. (a) There is hereby established the alternative-fuels
14 government fleet loan fund in the state treasury. All moneys in the alter-
15 native-fuels government fleet loan fund shall be used for loans in accord-
16 ance with K.S.A. 75-37,119, and amendments thereto, and the provisions
17 of appropriation acts. Such fund shall consist of *the following*:

18 (1) Amounts appropriated by the legislature for the purposes of the
19 fund;

20 (2) amounts of repayments made by government agencies of loans
21 received under K.S.A. 75-37,116 through 75-37,119, and amendments
22 thereto, together with payments of interest thereon, in accordance with
23 agreements entered into by such government agencies and the ~~secretary~~
24 *commission*; and

25 (3) amounts contributed or otherwise made available by any public
26 or private entity for use in effectuating the purposes of such fund.

27 (b) All moneys received as principal and interest payments under loan
28 agreements entered into pursuant to K.S.A. 75-37,119, and amendments
29 thereto, shall be remitted to the state treasurer in accordance with the
30 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
31 each such remittance, the state treasurer shall deposit the entire amount
32 in the state treasury to the credit of the alternative-fuels government fleet
33 loan fund.

34 (c) All expenditures from the alternative-fuels government fleet loan
35 fund shall be made in accordance with K.S.A. 75-37,116 through 75-
36 37,119, and amendments thereto, and the provisions of appropriation acts
37 upon warrants of the director of accounts and reports issued pursuant to
38 vouchers approved by the ~~secretary~~ *commission* or by a person designated
39 by the ~~secretary~~ *commission*.

40 Sec. 5. K.S.A. 75-37,119 is hereby amended to read as follows: 75-
41 37,119. (a) In accordance with the provisions of this section, the ~~secretary~~
42 *commission* is hereby authorized to enter into loan agreements with gov-
43 ernment agencies for the purposes stated in K.S.A. 75-37,117 and to loan

1 moneys in the alternative-fuels government fleet loan fund in accordance
2 with such agreements.

3 (b) Loans made from the alternative-fuels government fleet loan fund
4 may be for the following amounts:

5 (1) For the incremental cost of purchasing a new alternative-fueled
6 vehicle:

7 (A) A maximum of \$2,000 per vehicle for vehicles having a gross
8 vehicle weight of 10,000 lbs. or less; (B) a maximum of \$5,000 per vehicle
9 for vehicles having a gross weight of more than 10,000 lbs. but less than
10 26,000 lbs.; and (C) a maximum of \$50,000 for vehicles having a gross
11 vehicle weight of 26,000 lbs. or more;

12 (2) for the conversion of a new or used vehicle designed to operate
13 on conventional gasoline or diesel fuel to operate on an alternative fuel:

14 (A) A maximum of \$2,000 per vehicle for vehicles having a gross
15 vehicle weight of 10,000 lbs. or less; (B) a maximum of \$5,000 per vehicle
16 for vehicles having a gross weight of more than 10,000 lbs. but less than
17 26,000 lbs.; and (C) a maximum of \$50,000 for vehicles having a gross
18 vehicle weight of 26,000 lbs. or more; and

19 (3) a maximum of \$100,000 for the construction of alternative-fuel
20 fueling stations;

21 (c) No government agency shall be entitled to receive an aggregate
22 amount of more than \$100,000 in loans for new alternative-fueled vehicle
23 purchases or vehicle conversions in any fiscal year, nor shall any govern-
24 ment agency be entitled to receive an aggregate amount of more than
25 \$100,000 in loans for construction of alternative-fuel fueling stations in
26 any fiscal year.

27 (d) Government agencies receiving loans from the alternative-fuels
28 government fleet loan fund shall *meet the following requirements*:

29 (1) Agree to use the alternative fuel for which any alternative-fueled
30 vehicle is purchased or converted using loan proceeds;

31 (2) agree to notify the ~~secretary~~ *commissioner* in writing if a vehicle
32 converted using loan proceeds becomes inoperable through mechanical
33 failure or accident and to pursue a remedy *as* outlined in rules and
34 regulations;

35 (3) provide reasonable data requested by the ~~secretary~~ *commission*
36 on the performance of alternative-fueled vehicles purchased or converted
37 with loan proceeds;

38 (4) submit alternative-fueled vehicles purchased or converted with
39 loan proceeds to reasonable inspections by the ~~secretary~~ *commission* as
40 required by rules and regulations; and

41 (5) make alternative-fuel fueling stations constructed with loan pro-
42 ceeds available to other government alternative-fueled fleets and, within
43 the capacity of the fueling facility, to public alternative-fueled vehicle

1 operators.

2 (e) Each loan agreement entered into under this section shall fix the
3 terms of repayment and shall provide for interest payable on the loan.
4 Such interest may be at fixed or variable rates. Such terms of repayment
5 shall be fixed to require a loan repayment schedule not to exceed four
6 years. When developing repayment schedules for loans, the ~~secretary~~
7 *commission* shall consider the projected savings to the government agency
8 resulting from the use of an alternative fuel.

9 (f) The ~~secretary~~ *commission* shall develop uniform application forms
10 to be used for all loans.

11 (g) The ~~secretary~~ *commission* shall evaluate the plans developed by
12 the applicant government agency for converting its fleet to operate on
13 alternative fuels and shall give preference in making loans to those gov-
14 ernment agencies ~~which~~ *that* are prepared to make substantial invest-
15 ments of their own funds in converting their fleets to operate on alter-
16 native fuels and ~~which~~ *that* are prepared to work cooperatively with the
17 state, other government agencies and private sector persons in developing
18 an alternative-fuels fueling infrastructure in the state.

19 (h) The ~~secretary~~ *commission* may utilize the collection procedures
20 provided in K.S.A. 75-6201 et seq., and amendments thereto, to collect
21 delinquent loan payments by deducting the delinquent amount from pay-
22 ments from state agencies to the government agency that is delinquent
23 in its loan repayment.

24 Sec. 6. K.S.A. 75-37,116, 75-37,117 and 75-37,119 and K.S.A. 2003
25 Supp. 75-37,118 are hereby repealed.

26 Sec. 7. This act shall take effect and be in force from and after its
27 publication in the statute book.