

SESSION OF 2006

**CONFERENCE COMMITTEE REPORT BRIEF  
HOUSE BILL NO. 2709**

As Agreed to March 28, 2006

**Brief\***

HB 2709, as amended, would add rolling stock (the wheeled vehicles, other than locomotives) to the items that can be financed, acquired, or rehabilitated through the Rail Service Improvement Fund. Currently, this fund receives a transfer of \$3.0 million from the State Highway Fund, which is due to sunset at the end of FY 2007. The bill would eliminate the sunset provision and allow the transfer to continue without an expiration date.

The bill also would require the Secretary of Transportation to report annually prior to the 10<sup>th</sup> day of each regular Session, to the Governor and each member of the Legislature: the allocation and expenditure of moneys from the Coordinated Public Assistance Fund; the allocation and expenditure of moneys from the Rail Service Improvement Fund, including information on grants and loans; and the allocation and expenditure of moneys from Public Use General Aviation Airport Development Fund, including information on grants.

The bill also would allow a railroad company to sell its right-of-way that it owns in fee simple. (The owner is entitled to the entire property with unconditional power of disposition.)

**Conference Committee Action**

Conferees agreed to place the provisions of House Sub. for SB 35, a bill that dealt with conveyance of railroad right-of-way by railroad companies, into HB 2709.

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\*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

Conferees who testified in favor of the bill before the House Transportation Committee included: Ken Gudenkauf, Legislative Liaison, Kansas Department of Transportation (KDOT); Ed MeKechnie, Chief Commercial Officer, Watco Companies; Bob Alderson, Mid-States Port Authority and Kyle Railroad; Duane Simpson, Kansas Grain and Feed Association; and Pat Hubbell, Kansas Railroads. Leslie Kaufman, Executive Director, Kansas Cooperative Council, submitted written testimony. The KDOT conferee cited a study that concluded, among other things, that healthy short line railroads are vital to the operation of Class I railroads, and that improved speeds by short lines have improved customer service. Other proponents cited similar benefits noting the number of ties and ballast that have been replaced and the operating advantages of short line railroads such as local and regional focus, innovative pricing, organizational flexibility, cost efficiencies, and quick responses to shippers' requests.

Bob Totten, Kansas Contractors Association, Inc., and Patrick Hurley, Economic Lifelines testified in opposition to the bill. These conferees expressed concern that this bill and other similar legislation would take badly needed funds from the Comprehensive Transportation Plan.

The Senate Transportation Committee amendment pertains to the reporting requirements of the Secretary of Transportation.

The fiscal note prepared by the Director of the Budget states that after FY 2007, the \$3.0 million that has been transferred to the Rail Service Improvement Fund is planned for highway projects within the Comprehensive Transportation Plan. Eliminating the sunset provision would keep the \$3.0 million available for railroad projects, thereby reducing available funds for highway projects.