

## HOUSE BILL No. 2170

By Committee on Transportation

2-7

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1 AN ACT concerning rail service improvement program loans and grants;  
2 amending K.S.A. 2010 Supp. 75-5048 and 75-5049 and repealing the  
3 existing sections.  
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2010 Supp. 75-5048 is hereby amended to read as  
7 follows: 75-5048. (a) The secretary of transportation is hereby authorized  
8 to make loans or grants to a qualified entity for the purpose of facilitating  
9 the financing, acquisition or rehabilitation of railroads and rolling stock in  
10 the state of Kansas.

11 (b) Such loans or grants shall be made upon such terms and  
12 conditions as the secretary of transportation may deem appropriate, and  
13 such loans or grants shall be made from funds credited to the rail service  
14 improvement fund.

15 (c) The rail service improvement fund is hereby established in the  
16 state treasury which shall be for the purpose of facilitating the financing,  
17 acquisition and rehabilitation of railroads pursuant to subsection (a) of  
18 this section and for the refinancing thereof. The secretary of  
19 transportation shall administer the rail service improvement fund. All  
20 expenditures from the rail service improvement fund shall be made in  
21 accordance with appropriation acts upon warrants of the director of  
22 accounts and reports issued pursuant to vouchers approved by the  
23 secretary of transportation or by a person or persons designated by the  
24 secretary.

25 (d) All moneys received from the federal government ~~under the local~~  
26 ~~rail freight assistance program (49 U.S.C. 1654), pursuant to K.S.A. 75-~~  
27 ~~5026, and amendments thereto~~, shall be remitted to the state treasurer in  
28 accordance with the provisions of K.S.A. 75-4215, and amendments  
29 thereto. Upon receipt of each such remittance, the state treasurer shall  
30 deposit the entire amount in the state treasury to the credit of the rail  
31 service improvement fund.

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

1 (f) On July 1, 2013, and each July 1 thereafter, the director of  
2 accounts and reports shall transfer \$5,000,000 from the state highway  
3 fund to the rail service improvement fund.

4 (g) The secretary of transportation is hereby authorized to transfer  
5 moneys from the state highway fund to the rail service improvement fund  
6 or from the rail service improvement fund to the state highway fund. In  
7 transferring moneys from the rail service improvement fund, the secretary  
8 of transportation shall not diminish the moneys transferred under  
9 subsection (f).

10 (h) "Qualified entity" means any interstate commerce commission  
11 certificated railroad, a port authority established in accordance with  
12 Kansas laws, or any entity meeting the rules and regulations established  
13 by K.S.A. 75-5050, and amendments thereto.

14 Sec. 2. K.S.A. 2010 Supp. 75-5049 is hereby amended to read as  
15 follows: 75-5049. The secretary in making any loan *or grants* pursuant to  
16 K.S.A. 75-5048, and amendments thereto, may:

17 (a) Stipulate minimum operating standards for rail lines designed to  
18 achieve reasonable transportation service for shippers and to achieve best  
19 use of funds invested in rail line rehabilitation;

20 (b) require a portion of the total assistance for improving a rail line  
21 to be loaned to the railroad by rail users and require the railroad to  
22 reimburse rail users for any loan on the basis of use of the line and the  
23 revenues produced when the line has been improved;

24 (c) determine the terms and conditions under which all or any  
25 portion of funds loaned shall be repaid to the department of transportation  
26 by the railroads. Reimbursement may be made as a portion of the  
27 increased revenue derived from the improved rail line. Any  
28 reimbursement received by the department pursuant to this subsection  
29 shall be remitted to the state treasurer in accordance with the provisions  
30 of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such  
31 remittance, the state treasurer shall deposit the entire amount in the state  
32 treasury to the credit of the rail service improvement fund and shall be  
33 appropriated exclusively for the rehabilitation of other rail lines in the  
34 state pursuant to K.S.A. 75-5048, and amendments thereto.

35 (d) *The secretary may enter into loan agreements with any entity*  
36 *which is a qualified entity pursuant to K.S.A. 75-5048, and amendments*  
37 *thereto, for payment of all or part of a project's costs. Any governmental*  
38 *unit that is a qualified entity may enter into such an agreement and may*  
39 *accept such assistance when so authorized by its governing body.*

40 (e) *Upon the failure of a governmental unit which is a qualified entity*  
41 *to meet the repayment terms and conditions of a loan agreement under*  
42 *this section, the secretary may order the state treasurer to pay to the rail*  
43 *service improvement fund the portion of such governmental unit's share*

1 *of the special city and county highway fund as may be necessary to meet*  
2 *the terms of the loan agreement.*

3 *(f) Any loans received by a governmental unit under the*  
4 *provisions of K.S.A. 75-5048 through 75-5050, and amendments thereto,*  
5 *shall be construed to be bonds for the purpose of K.S.A. 10-1116, and*  
6 *amendments thereto, and the amount of such loans shall not be included*  
7 *within any limitation on the bonded indebtedness of the governmental*  
8 *unit.*

9 Sec. 3. K.S.A. 2010 Supp. 75-5048 and 75-5049 are hereby  
10 repealed.

11 Sec. 4. This act shall take effect and be in force from and after its  
12 publication in the statute book.

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