

As Amended by Senate Committee

Session of 2011

SENATE BILL No. 119

By Committee on Ways and Means

2-7

1 AN ACT concerning rail service improvement program loans and
2 grants; amending K.S.A. 2010 Supp. 75-5048 and 75-5049 and
3 repealing the existing sections.
4

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
7 as follows: 75-5048. (a) The secretary of transportation is hereby
8 authorized to make loans or grants to a qualified entity for the purpose
9 of facilitating the financing, acquisition or rehabilitation of railroads
10 and rolling stock in 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
14 service 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
17 financing, acquisition and rehabilitation of railroads pursuant to
18 subsection (a) of this section and for the refinancing thereof. The
19 secretary of transportation shall administer the rail service
20 improvement fund. All expenditures from the rail service improvement
21 fund shall be made in accordance with appropriation acts upon warrants
22 of the director of accounts and reports issued pursuant to vouchers
23 approved by the secretary of transportation or by a person or persons
24 designated by the secretary.

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

32 (e) The management and investment of the rail service
33 improvement fund shall be in accordance with K.S.A. 68-2324, and

1 amendments thereto. Notwithstanding anything to the contrary, all
2 interest or other income of the investments, after payment of any
3 management fees, shall be considered income of the rail service
4 improvement fund.

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

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

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

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

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

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

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

1 (d) *The secretary may enter into loan **or grant** agreements with any*
2 *entity which is a qualified entity pursuant to K.S.A. 75-5048, and*
3 *amendments thereto, for payment of all or part of a project's costs. Any*
4 *governmental unit that is a qualified entity **and in coordination with***
5 ***the railroad providing service**, may enter into such an agreement and*
6 *may accept such assistance when so authorized by its governing body.*
7 (e) *Upon the failure of a governmental unit, which is a qualified*
8 *entity, to meet the repayment terms and conditions of a loan agreement*
9 *under this section, the secretary may order the state treasurer to pay to*
10 *the rail service improvement fund the portion of such governmental*
11 *unit's share of the special city and county highway fund as may be*
12 *necessary to meet the terms of the loan agreement.*
13 (f) *Any loans received by a governmental unit under the*
14 *provisions of K.S.A. 75-5048 through 75-5050, and amendments*
15 *thereto, shall be construed to be bonds for the purpose of K.S.A. 10-*
16 *1116, and amendments thereto, and the amount of such loans shall not*
17 *be included within any limitation on the bonded indebtedness of the*
18 *governmental unit.*
19 Sec. 3. K.S.A. 2010 Supp. 75-5048 and 75-5049 are hereby
20 repealed.
21 Sec. 4. This act shall take effect and be in force from and after its
22 publication in the statute book.
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