

**TESTIMONY BEFORE THE
HOUSE TAXATION COMMITTEE**

**REGARDING HOUSE BILL 2460
RELATING TO PROVIDING AN INCOME TAX CREDIT FOR QUALIFIED RAILROAD TRACK
MAINTENANCE EXPENDITURES OF SHORT LINE RAILROADS**

February 3, 2020

Mr. Chairman and Committee Members:

The Kansas Department of Transportation (KDOT) is providing written neutral testimony for House Bill 2460 relating to providing an income tax credit for qualified railroad track maintenance expenditures of short line railroads.

Today, the 4,216-mile rail system (map attached) in Kansas plays an essential freight transportation role both within the state and nationally. Kansas' location and position on principal rail corridors provides rail access to every region of the U.S., as well as to Canada and Mexico. Short line railroads operate on 1,806 miles in the state and provide critical connections for freight movement.

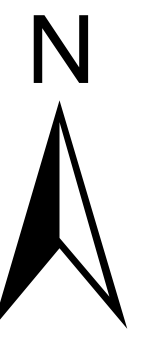
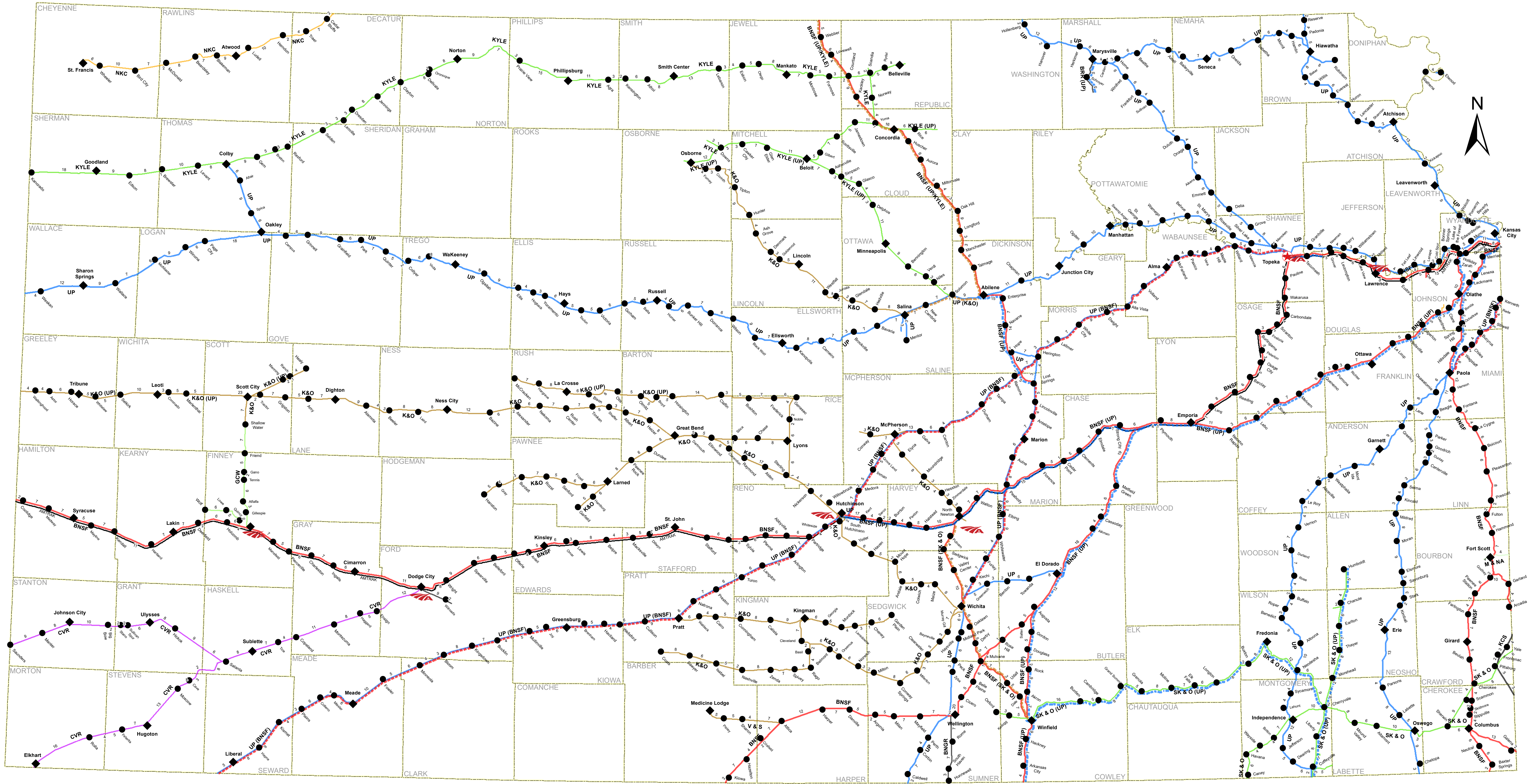
Kansas ranks in the top 15 among states in the following categories: total miles of rail (6th); rail tons carried (6th); and rail carloads carried (8th). Kansas ranks 6th in farm products originating by state.





In past transportation programs, KDOT has invested in new opportunities for rail development through the State Rail Service Improvement Fund (SRSIF). Through our efforts at KDOT to help problem-solve, we are streamlining the SRSIF in partnership with railroads and shippers to better utilize these resources.















With changes in demand and technology, shippers need upgrades to the rail system and maintaining railroad infrastructure is both labor and capital-intensive. While we recognize the importance of short lines in Kansas, the fiscal impact of this tax credit would reduce revenue into the State General Fund.


Thank you for the opportunity to provide written neutral testimony on House Bill 2460.

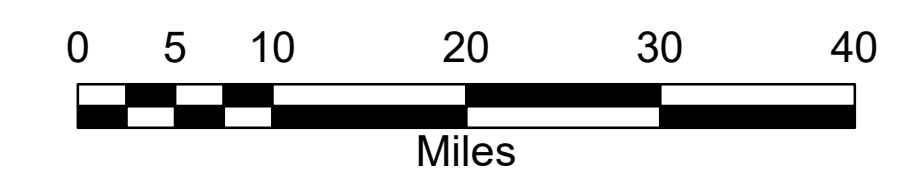
Kansas Railroad Map 2019



-  State Capital
-  Present Day Railroad Station (County Seat)
-  Present Day Railroad Station
-  AMTRAK Station

-  BNSF Railway 1237 miles
-  Union Pacific 1535 miles
-  KYLE Railroad System 277 miles
-  KYLE Railroad System, Leased from UP 139 miles
-  Kansas & Oklahoma Railroad 773 Miles
-  Kansas & Oklahoma Railroad, UP leased 111 Miles
-  Blackwell Northern Gateway Railroad 18 miles
-  Blue Rapids Railroad 10 miles
-  Boothill and Western Railway 10 miles
-  Cimarron Valley Railway 179 miles
-  Garden City Western Railway 45 miles
-  Kansas City Southern 18 miles
-  Missouri & Northern Arkansas 8 miles
-  Nebraska Kansas Colorado Railway 62 miles

-  South Kansas & Oklahoma 267 miles
-  V & S Railway 22 miles
-  New Century Aircenter Railroad 5 miles
-  Wichita Terminal Association 9 miles
-  Kansas City Terminal Railway 33 miles
-  AMTRAK



PREPARED BY THE
KANSAS DEPARTMENT OF TRANSPORTATION
BUREAU OF TRANSPORTATION PLANNING
 MAP CREATED TUESDAY, JUNE 04, 2019
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