

TESTIMONY BEFORE THE SENATE TRANSPORTATION COMMITTEE

REGARDING SB 192 RELATING TO AUTHORIZING THE SECRETARY OF TRANSPORTATION TO DESIGNATE OR CONSTRUCT TOLLING PROJECTS AND CHANGING FINANCE REQUIREMENTS

MARCH 7, 2019

Good morning Mr. Chairman and members of the committee. I am Julie Lorenz, Acting Secretary of Transportation. I am here today to appear in favor of SB 192.

SB 192 modernizes the use of tolls in the state of Kansas. The Kansas Transportation Vision Task Force heard from local governments that they do not have many options for generating revenues for transportation projects.

The changes in SB 192 allow tolling to be used as a tool in the rare circumstance where it is feasible and locally accepted. The changes also allow a local government to use toll revenue as local match, to help leverage state funding. Very few locations in Kansas have sufficient traffic volumes to make tolling a viable revenue source to pay for a portion of the cost of construction and maintenance. In those circumstances where there may be enough traffic, the bill will only allow tolling after consultation with the local community.

The bill makes two changes to current law to provide that flexibility.

First - tolls are currently required by law to cover the complete cost of a project, including all project construction and maintenance costs. KDOT has studied several corridors for tolling feasibility, and **none** have had sufficient traffic to make tolling feasible under the condition of full cost recovery. The bill would allow for tolling to cover a portion of the project costs.

The second change relates directly to the Kansas Department of Transportation (KDOT). KDOT may study the feasibility of tolling but cannot work with communities to add a toll to a project improvement under current law. The legislature must approve tolling of a new project. The bill would allow KDOT to consult with the community to determine if tolling is feasible, and then implement tolling as part of the funding package.

The agency has heard concerns about using tolling on existing highways. The bill is narrowly and reasonably crafted to ensure that tolling could only be used on projects that **improve** capacity (or traffic flow). For example, there are segments on I-70 that require preservation but replacing the pavement on the interstate would not constitute a capacity improvement and therefore, could not be tolled.

We do have one suggested amendment. Rather than allowing the Secretary to independently determine whether tolling should be implemented, we recommend that the decision be made with the State Finance Council. This would provide legislative checks and balances. KDOT strongly recommends keeping the local consultation components listed in the bill.

Thank you for the opportunity to come before you and provide testimony in favor of Senate Bill 192.