

SENATE BILL No. 375

By Committee on Ways and Means

2-6

1 AN ACT concerning transportation; providing for the FORWARD  
2 transportation program; amending K.S.A. 68-416, 68-2315, 68-2316,  
3 75-5035, 75-5048, 75-5061, 79-3603 and 79-3703 and repealing the  
4 existing sections.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 New Section 1. (a) In order to plan, develop and operate or  
8 coordinate the development and operation of the various modes and  
9 systems of transportation within the state, the secretary of transportation is  
10 hereby authorized and directed to initiate a FORWARD transportation  
11 program.

12 (b) (1) The FORWARD transportation program shall provide for the  
13 construction, improvement, reconstruction and maintenance of the state  
14 highway system. The program shall provide for the selection of projects  
15 that will allow for the flexibility to meet emerging and economic needs.  
16 Program expenditures may include, but may not be limited to, the  
17 following:

18 (A) Preservation projects to efficiently maintain a state highway  
19 system in its original or improved condition and in a state of good repair.  
20 ~~The secretary shall determine the average annual preservation investment~~  
21 ~~needed to maintain the state highway system in a state of good repair by~~  
22 ~~determining the annual preservation investment needed using Kansas~~  
23 ~~department of transportation performance measures~~ ***The secretary shall***  
24 ***establish targets for the state highway system condition that reflect the***  
25 ***reasonable realistic expectations that have historically existed in***  
26 ***providing a safe and efficient state highway system. The secretary shall***  
27 ***utilize reasonable, sound and accepted methods to determine the annual***  
28 ***preservation investment needed to achieve the state targets and provide***  
29 ***optimum cost effectiveness in keeping the long-term system condition***  
30 ***meeting such targets.*** It is the intent of the legislature that the secretary,  
31 prior to completion of the FORWARD transportation program, shall spend  
32 or encumber from the state highway fund preservation projects in an  
33 amount equal to or exceeding 10 times the determined average annual  
34 preservation investment. ***The secretary shall manage cash flow and***  
35 ***project lettings such that there is reasonable assurance that preservation***  
36 ***will be fully funded each year. Pursuant to this subparagraph,***

1 *preservation projects refer to existing infrastructure;*

2 (B) preservation plus projects to efficiently maintain a state highway  
3 system and include additional safety or technology elements, or both, in  
4 the preservation project. Such additional elements may include, but may  
5 not be limited to, adding paved shoulders, adding passing lanes, adding  
6 traffic signals, adding intelligent transportation system elements or laying  
7 broadband fiber or the conduit for broadband fiber. It is the intent of the  
8 legislature that the secretary has the authority to enhance preservation plus  
9 projects with the addition of safety or technology improvements, or both;

10 (C) expansion and economic opportunity projects, that include  
11 additions to the transportation system, or that improve access, relieve  
12 congestion and enhance economic development opportunities. The Kansas  
13 department of transportation shall develop and utilize criteria for the  
14 selection of expansion and economic opportunity projects. The selection  
15 criteria shall include, but shall not be limited to, engineering and traffic  
16 data, local consultation, geographic distribution and an economic impact  
17 analysis evaluation; and

18 (D) modernization projects that include improvements to the  
19 transportation system by widening lanes or shoulders, making geometric  
20 improvements, upgrading interchanges or building rail grade separations to  
21 improve the safety, condition or service of the highway system. The  
22 Kansas department of transportation shall develop and utilize criteria for  
23 the selection of modernization projects. The selection criteria shall include,  
24 but shall not be limited to, engineering data, local consultation and  
25 geographic distribution.

26 (2) The department of transportation shall develop criteria for the  
27 incorporation of practical improvements into designs of the projects  
28 specified in this subsection.

29 (c) Except as further provided, the FORWARD transportation  
30 program shall provide for the completion of modernization and expansion  
31 projects selected for construction under the transportation works for  
32 Kansas program pursuant to K.S.A. 68-2314b, and amendments thereto.  
33 Such projects shall be let prior to July 1, 2023. A transportation works for  
34 Kansas program selected project in Harvey County generally described as  
35 an approximate one-mile reconstruction of the I-135 and 36<sup>th</sup> street  
36 interchange may not be constructed. If such project is not constructed, the  
37 estimated construction costs for such project shall be used on other  
38 construction projects in the Kansas department of transportation's south-  
39 central district.

40 (d) The FORWARD transportation program shall provide for  
41 assistance, including credit and credit enhancements, to cities and counties  
42 in meeting their responsibilities for the construction, improvement,  
43 reconstruction and maintenance of transportation improvements. Such

1 programs may use criteria developed by the Kansas department of  
2 transportation for the incorporation of practical improvements into designs  
3 of projects. Expenditures under this subsection may include, but may not  
4 be limited to, the following:

5 (1) Apportionment of the special city and county highway fund to  
6 assist cities and counties with their responsibilities for roads and bridges  
7 not on the state highway system;

8 (2) programs to share federal aid with cities and counties to assist  
9 with their responsibilities for roads and bridges not on the state highway  
10 system;

11 (3) programs to assist cities with the maintenance of city connecting  
12 links as specified in K.S.A. 68-416, and amendments thereto, and local  
13 partnership programs to resurface or geometrically improve city  
14 connecting links or to promote economic development;

15 (4) programs similar to the Kansas department of transportation's  
16 local bridge improvement program to aid local public authorities in  
17 replacing or repairing bridges not on the state highway system;

18 (5) programs to assist cities and counties with railroad crossings of  
19 roads not on the state highway system; or

20 (6) programs that allow local governments to exchange federal aid  
21 funds for state funds.

22 (e) The FORWARD transportation program shall provide for a  
23 railroad program to provide assistance in accordance with K.S.A. 75-5040  
24 through 75-5050, and amendments thereto, for the preservation and  
25 revitalization of rail service in the state.

26 (f) The FORWARD transportation program shall provide for an  
27 aviation program to provide assistance for the planning, constructing,  
28 reconstructing or rehabilitating the facilities of public use general aviation  
29 airports, in accordance with K.S.A. 75-5061, and amendments thereto.

30 (g) The FORWARD transportation program shall provide for public  
31 transit programs to aid elderly persons, persons with disabilities and the  
32 general public, in accordance with K.S.A. 75-5032 through 75-5038 and  
33 75-5051 through 75-5058, and amendments thereto.

34 (h) The FORWARD transportation program shall provide for a  
35 transportation technology program to provide for multimodal  
36 transportation-related projects that support innovative technology, in  
37 accordance with section 2, and amendments thereto.

38 (i) The FORWARD transportation program shall provide for a  
39 multimodal program to provide transportation improvement assistance for  
40 bike facilities, pedestrian facilities or other transportation-sensitive  
41 economic opportunities on a local or a regional basis.

42 (j) The FORWARD transportation program shall allow the secretary  
43 to award certain state highway system projects using alternative delivery

1 procurement methods, other than an award of a design-bid-build, as  
2 provided for in section 4, and amendments thereto.

3 (k) The FORWARD transportation program shall provide for a  
4 broadband infrastructure construction program, in accordance with section  
5 3, and amendments thereto.

6 (l) ~~(1) Motor fuel taxes and vehicle registration revenues~~*State*  
7 *highway fund revenues, including, but not limited to, motor fuel taxes,*  
8 *vehicle registrations, sales and compensating use taxes and eligible*  
9 *federal aid*, shall be used in the following order of priority:

10 (A) To pay bond covenant obligations;

11 (B) to pay for agency operations;

12 (C) to make city connecting link payments authorized under K.S.A.  
13 68-416, and amendments thereto; and

14 (D) to pay for needed preservation projects as set forth in subsection  
15 (b)(1).

16 (2) Any such revenues not spent pursuant to subsection (l)(1)(A)  
17 through (D) may be used for other purposes and authority given to the  
18 secretary.

19 (m) (1) The secretary shall, using the Kansas department of  
20 transportation selection methods and criteria, determine the projects to be  
21 selected for inclusion under the FORWARD transportation program.  
22 Consideration may be given to additional criteria that may include projects  
23 that:

24 (A) Remove transportation infrastructure from the state highway  
25 system;

26 (B) identify priority corridors;

27 (C) include local monetary participation; or

28 (D) reduce project size.

29 (2) *It is the intent of the legislature that the secretary shall develop*  
30 *a metric-driven process that distributes state highway fund revenues*  
31 *available for the construction of modernization and expansion projects*  
32 *across the Kansas department of transportation districts such that the*  
33 *state highway funds spent on constructed modernization and expansion*  
34 *projects in each district over the 10 years will fall within the range*  
35 *determined.*

36 (3) The secretary shall select projects for development every two  
37 years. The secretary shall select projects for construction every two years.  
38 The secretary is not required to construct every project selected for  
39 development. The selection of projects for development and construction  
40 shall take place every two years, after consultation with local jurisdictions.  
41 ~~Prior to June 30, 2030, not less than three expansion or modernization~~  
42 ~~projects shall be selected for development from each of the Kansas~~  
43 ~~department of transportation's six districts~~ *Not more than 60% of the*

1 *modernization and expansion projects let to contract by the end of year*  
2 *five of the FORWARD transportation program shall occur in either*  
3 *rural or urban areas. For purposes of this paragraph, "urban area"*  
4 *means Douglas, Johnson, Sedgwick, Shawnee and Wyandotte counties,*  
5 *and "rural area" means all other counties.*

6 (n) *It is the intent of the legislature that the secretary take the*  
7 *actions necessary to have transportation improvement projects ready to*  
8 *let to construction as cash-flow management allows.*

9 (o) The secretary, prior to June 30, 2030, shall develop a long-range  
10 transportation plan that examines, but is not limited to, transportation  
11 policy, project selection criteria and selection methods used in the  
12 FORWARD transportation program, transportation funding sources and  
13 FORWARD transportation program project categories. The long-range  
14 transportation plan shall make recommendations for a new transportation  
15 program for the state of Kansas. The long-range transportation plan shall  
16 be developed after consultation with the governor of the state of Kansas  
17 and state and local elected officials.

18 New Sec. 2. (a) The secretary of transportation is hereby authorized  
19 and empowered to participate in projects or make grants for projects, the  
20 purpose of which is the planning, assessment and fielding of new  
21 capabilities and innovative technology for all modes of transportation,  
22 including, but not limited to, aviation and highway transportation. Such  
23 new capabilities should represent increased efficiency for state operations,  
24 public cost savings, increased safety or economic development.

25 (b) There is hereby established in the state treasury the transportation  
26 technology development fund. All moneys credited to such fund shall be  
27 used to provide assistance with the planning, assessment and fielding of  
28 new capabilities for all modes of transportation, including, but not limited  
29 to, aviation and highway transportation. All expenditures from such fund  
30 shall be made in accordance with the provisions of appropriation acts and  
31 upon warrants of the director of accounts and reports issued pursuant to  
32 vouchers approved by the secretary or the secretary's designee.

33 (c) Grants made by the secretary from the transportation technology  
34 development fund shall be made upon such terms and conditions as the  
35 secretary may deem appropriate, and such grants shall be made from funds  
36 credited to the transportation technology development fund.

37 (d) On July 1, 2020, and each July 1 thereafter through July 1, 2030,  
38 the director of accounts and reports shall transfer \$2,000,000 from the state  
39 highway fund to the transportation technology development fund. The  
40 secretary is hereby authorized to transfer additional moneys to the  
41 transportation technology development fund from the state highway fund,  
42 and moneys from the transportation technology development fund to the  
43 state highway fund.

1 New Sec. 3. (a) The secretary of transportation is hereby authorized  
2 and empowered to make grants for construction projects, the purpose of  
3 which is to expand and improve broadband service in the state of Kansas.  
4 The secretary of transportation is authorized to make such grants when  
5 working jointly with the office of broadband development within the  
6 department of commerce.

7 (b) There is hereby established in the state treasury the broadband  
8 infrastructure construction grant fund. All moneys credited to such fund  
9 shall be used to provide grants for the expansion of broadband service in  
10 the state of Kansas. All expenditures from such fund shall be made in  
11 accordance with the provisions of appropriation acts and upon warrants of  
12 the director of accounts and reports issued pursuant to vouchers approved  
13 by the secretary of transportation or the secretary's designee.

14 (c) Grants made by the secretary of transportation from the  
15 broadband infrastructure construction grant fund shall reimburse grant  
16 recipients for up to 50% of actual construction costs in expanding and  
17 improving broadband service in the state of Kansas. Such grant  
18 reimbursements shall be upon such terms and conditions as the secretary  
19 of transportation may deem appropriate, in coordination with the secretary  
20 of commerce.

21 (d) On July 1, 2020, and each July 1 thereafter through July 1, 2022,  
22 the director of accounts and reports shall transfer \$5,000,000 from the state  
23 highway fund to the broadband infrastructure construction grant fund. On  
24 July 1, 2023, and each July thereafter through July 1, 2030, the director of  
25 accounts and reports shall transfer \$10,000,000 from the state highway  
26 fund to the broadband infrastructure construction grant fund. At the end of  
27 each fiscal year, the secretary of transportation is hereby authorized to  
28 notify the director of accounts and reports to transfer all remaining and  
29 unencumbered funds from the broadband infrastructure construction grant  
30 fund to the state highway fund.

31 New Sec. 4. (a) The FORWARD transportation program shall allow  
32 the secretary of transportation to award certain state highway system  
33 projects using alternative delivery procurement methods other than award  
34 of a design-bid-build contract to the lowest bidder as provided in K.S.A.  
35 68-410, and amendments thereto, subject to the following:

36 (1) Projects selected for alternative delivery shall not include  
37 preservation projects as defined in section 1, and amendments thereto;

38 (2) alternative delivery may be used on ~~at~~ *three* projects utilizing toll  
39 revenues for construction and maintenance of the project. *One project*  
40 *utilizing toll revenues may be let to construction once every three years;*  
41 ~~and~~

42 (3) not more than 5% of dollars spent in the FORWARD  
43 transportation program shall be used on alternative delivery. The dollar

1 value of *the three* projects utilizing toll revenues *referenced in paragraph*  
2 *(2)* and projects obtained through federal grants shall not be considered in  
3 determining this 5% limit; *and*

4 *(4) Any project utilizing alternative delivery shall equal or exceed*  
5 *\$100,000,000 in costs.*

6 (b) In addition to the requirements in subsection (a), alternative  
7 delivery projects in the FORWARD transportation program shall be  
8 subject to the following requirements and restrictions:

9 (1) Procurement methods for transportation alternative delivery  
10 projects may provide for a single contract or multiple contracts that  
11 include, but are not limited to, services for preconstruction, design,  
12 construction, construction management, maintenance, operation, financing  
13 or a combination thereof;

14 (2) the Kansas department of transportation shall develop and utilize  
15 criteria for selecting whether alternative delivery or design-bid-build  
16 procurement process is in the best interest of the state. No project will be  
17 selected for alternative delivery without having been evaluated under the  
18 selection criteria established by the department. The selection criteria shall  
19 include, but not be limited to, the need for accelerated schedule, safety  
20 needs, project complexity, opportunity for innovation and economic  
21 development;

22 (3) the Kansas department of transportation shall develop and utilize  
23 procedures for advertising proposals, receiving proposals, evaluating  
24 proposals, awarding contracts and administering contracts in its alternative  
25 delivery procurement program, and the procurement procedures in K.S.A.  
26 68-408 through 68-410, 75-430a and 75-5804 through 75-5807, and  
27 amendments thereto, shall not apply to transportation alternative delivery  
28 projects.

29 (c) Notwithstanding any requirements set forth in subsections (b) or  
30 (c), the alternative delivery procedures shall include:

31 (1) A two-phase best value competitive selection or contracting  
32 process in which the first phase consists of short listing no more than four  
33 proposers based on qualifications identified in the request for  
34 qualifications and the second phase consists of the submission of price or  
35 technical proposals, or both, in response to a request for proposal;

36 (2) advertisement of requests for qualifications in the Kansas register  
37 for at least three consecutive weeks;

38 (3) prequalification of contractors performing construction and of  
39 firms performing professional technical services by the secretary in  
40 accordance with existing state statutes, regulations, and department  
41 procedures governing prequalification and licensing;

42 (4) a bond for performance and payment or alternative security  
43 guaranteeing contract performance and payment obligations for supplies,

1 materials and labor furnished for the alternative delivery project; and

2 (5) a requirement that firms and key personnel identified in the  
3 qualifications phase and scored to determine the shortlist may not be  
4 replaced during the alternative delivery project without the Kansas  
5 department of transportation's written approval.

6 (d) Notwithstanding any other provision of law to the contrary, a  
7 contracting entity selected for an alternative delivery project shall not be in  
8 violation of K.S.A. 74-7001 et seq., and amendments thereto, and the  
9 contract entered into by such contractor shall not be void if such contractor  
10 obtains the professional services by subcontracting with an entity or  
11 entities duly licensed or holding a certificate of authorization to perform  
12 professional services in accordance with K.S.A. 74-7001 et seq., and  
13 amendments thereto.

14 (e) Notwithstanding the provisions of K.S.A. 68-419a, and  
15 amendments thereto, a contracting entity selected for an alternative  
16 delivery project that is responsible for preparing or furnishing design plans  
17 and specifications, through its own organization or by subcontracting as  
18 provided in subsection (d), shall be liable for damages arising out of  
19 design defects in such plans and specifications resulting in injury to  
20 persons or damage to property, occurring after completion of the contract  
21 and acceptance thereof by the Kansas department of transportation, if and  
22 to the extent such injury or damage arises out of a failure to exercise the  
23 degree of learning and skill ordinarily possessed by a reputable contractor  
24 or by a technical professional practicing in Kansas in the same or similar  
25 locality and under similar circumstances. Nothing contained in this  
26 subsection shall be construed as abrogating, limiting or otherwise affecting  
27 any cause of action accruing to the state or any agency or instrumentality  
28 thereof that was a party to such contract.

29 ***New Sec. 5. (a) The secretary of transportation is directed to***  
30 ***develop a driver's education scholarship grant program to assist***  
31 ***qualified individuals to become safe drivers. Subject to the limitations of***  
32 ***appropriations therefor, any entity that desires to provide a driver's***  
33 ***education program may submit an application for a competitive grant of***  
34 ***moneys in an amount to be determined by the secretary for the purpose***  
35 ***of paying the costs of scholarships to attend a driver's education***  
36 ***program. A scholarship for a qualified individual shall not exceed \$200.***  
37 ***The secretary shall administer the provisions of this section and may***  
38 ***adopt rules and regulations establishing additional criteria for***  
39 ***qualification for a grant and such other matters deemed necessary by***  
40 ***the secretary for the administration of this section.***

41 ***(b) The provisions of this section shall expire on June 30, 2023. On***  
42 ***or before January 9, 2023, the secretary shall provide a report to the***  
43 ***house of representatives appropriations and transportation committees***



1 *and the senate ways and means and transportation committees on the*  
2 *driver's education scholarship grant program.*

3 *(c) As used in this section:*

4 *(1) "Federal poverty level" means the most recent poverty income*  
5 *guidelines published in the calendar year by the United States*  
6 *department of health and human services.*

7 *(2) "Qualified individual" means an individual who resides within*  
8 *the state of Kansas, is under 30 years of age and whose household*  
9 *income is positive and not more than 200% of the federal poverty level*  
10 *for the tax year prior to the year in which the application is submitted.*

11 ~~Sec. 5.~~ **6.** K.S.A. 68-416 is hereby amended to read as follows: 68-  
12 416. The state highway fund shall be apportioned as follows:

13 (a) The secretary of transportation annually shall apportion and  
14 distribute quarterly, on the first day of January, April, July and October, to  
15 cities on the state highway system from the state highway fund moneys at  
16 the rate of ~~\$3,000~~ \$5,000 per year per lane per mile for the maintenance of  
17 streets and highways in cities designated by the secretary as city  
18 connecting links. Unless a consolidated street and highway fund is  
19 established pursuant to K.S.A. 12-1,119, and amendments thereto, all  
20 moneys distributed by the secretary shall be credited to the street and alley  
21 funds of such cities. All moneys so distributed shall be used solely for the  
22 maintenance of city connecting links. Maintenance of such city connecting  
23 links shall be as prescribed in K.S.A. 68-416a, and amendments thereto.  
24 As used in this subsection, "lane" means the portion of the roadway for use  
25 of moving traffic of a standard width prescribed by the secretary. In lieu of  
26 such apportionment, the secretary, by and with the consent of the  
27 governing body of any city within the state of Kansas, may maintain such  
28 streets within the city and pay for such maintenance from the highway  
29 fund.

30 (b) All of the remainder of such highway fund shall be used by the  
31 secretary of transportation for:

32 (1) The construction, improvement, reconstruction and maintenance  
33 of the state highway system;

34 (2) improvements in transportation programs to aid elderly persons,  
35 persons with disabilities and the general public;

36 (3) for any purpose specified in K.S.A. 68-2314b, and amendments  
37 thereto;

38 (4) *for any purpose specified in section 1, and amendments thereto;*

39 (5) the support and maintenance of the department of transportation;

40 ~~(5)~~(6) the expenses of administering the motor vehicle registration  
41 and drivers' license laws; and

42 ~~(6)~~(7) the payment of losses to department of transportation  
43 employees authorized by K.S.A. 75-5062, and amendments thereto.

1       Sec. ~~6~~ 7. K.S.A. 68-2315 is hereby amended to read as follows: 68-  
2 2315. (a) Annually, prior to the 10<sup>th</sup> day of each regular session of the  
3 legislature, the secretary of transportation shall submit a written report to  
4 the governor and each member of the legislature providing:

5       ~~(a)~~(1) Summary financial information and a statement of assurance  
6 that the department of transportation has prepared a comprehensive  
7 financial report of all funds for the preceding year which includes a report  
8 by independent public accountants attesting that the financial statements  
9 present fairly the financial position of the Kansas department of  
10 transportation in conformity with generally accepted accounting principles  
11 and a notification that the complete comprehensive financial report,  
12 including the auditor's report is available upon request;

13       ~~(b)~~(2) *for the report due in 2021, a detailed explanation of the*  
14 *methods or criteria employed in the selection of transportation projects*  
15 *under K.S.A. 68-2314b(b), and amendments thereto, and in the awarding*  
16 *of assistance to cities, counties or other transportation providers;*

17       (3) a detailed explanation of the methods or criteria employed in the  
18 selection of transportation projects under ~~subsection (b) of K.S.A. 68-~~  
19 ~~2314b section 1(b) and (d)(1) through (d)(6)~~, and amendments thereto, and  
20 in the awarding of assistance to cities, counties or other transportation  
21 providers, *including an explanation of the amounts expended and projects*  
22 *selected for construction, projects selected for development and when and*  
23 *where the next local consults are to take place;*

24       ~~(c)~~(4) ~~the proposed allocation and expenditure of moneys and~~  
25 ~~proposed work plan for the current fiscal year and at least the next five~~  
26 ~~years;~~

27       ~~(d)~~(5) ~~information concerning construction work completed in the~~  
28 ~~preceding fiscal year and construction work in progress~~

29       (4) *all revenue available for the state highway fund, including, but*  
30 *not limited to, state highway fund balance from previous year, motor*  
31 *fuel taxes, registration fees, sales and compensating use taxes and bond*  
32 *proceeds;*

33       (5) *all committed expenditures identified by program, including, but*  
34 *not limited to, debt service payments, agency operations, aviation,*  
35 *transit, rail, cost-share, innovative technology, local bridge, project*  
36 *development costs by category, including, but not limited to, right-of-way*  
37 *purchases, engineering and utility relocation costs and construction*  
38 *payouts by program category, including, but not limited to, preservation,*  
39 *modernization and expansion;*

40       (6) *a report of remaining outstanding projects that have been let*  
41 *but have not been paid out and how those projects have been identified*  
42 *to achieve system condition targets. If such targets are not achieved with*  
43 *current projects or identified future projects, a report on additional*

- 1 *funding necessary to achieve system condition targets;*  
2 ~~(e)(6)(7)~~ information concerning the operation and financial  
3 condition of the transportation revolving fund;  
4 ~~(f)(7)(8)~~ the annual allocation and expenditure of moneys from the  
5 coordinated public transportation assistance fund under K.S.A. 75-5035,  
6 and amendments thereto;  
7 ~~(g)(8)(9)~~ the annual allocation and expenditure of moneys from the  
8 rail service improvement fund under K.S.A. 75-5048, and amendments  
9 thereto, including specific information relating to any grants or loans made  
10 under such program;  
11 ~~(h)(9)(10)~~ the annual allocation and expenditure of moneys from the  
12 public use general aviation airport development fund under K.S.A. 75-  
13 5061, and amendments thereto, including specific information relating to  
14 grants made under such program;  
15 ~~(i)(11)~~ *the annual allocation and expenditure of moneys from the*  
16 *transportation technology development fund under section 2, and*  
17 *amendments thereto, including specific information relating to grants*  
18 *made pursuant to section 2, and amendments thereto;*  
19 ~~(j)(12)~~ *the annual allocation and expenditure of moneys from the*  
20 *broadband infrastructure construction grant fund under section 3, and*  
21 *amendments thereto, including specific information relating to grants*  
22 *made pursuant to section 3, and amendments thereto;*  
23 ~~(k)(13)~~ *information concerning funding shifts between the state*  
24 *highway fund and the funds specified in subsections ~~(a)(7)~~ (a)(8) through*  
25 ~~(a)(10)~~ *(a)(11);*  
26 ~~(l)(14)~~ *for the report due in 2021, specific recommendations for any*  
27 *statutory changes necessary for the successful completion of the*  
28 *transportation program specified in K.S.A. 68-2314b, and amendments*  
29 *thereto, or efficient and effective operation of the Kansas department of*  
30 *transportation;*  
31 ~~(m)(14)(15)~~ specific recommendations for any statutory changes  
32 necessary for the successful completion of the transportation program  
33 specified in ~~K.S.A. 68-2314b~~ *section 1*, and amendments thereto, or  
34 efficient and effective operation of the Kansas department of  
35 transportation; ~~and~~  
36 ~~(n)(15)(16)~~ *information concerning the condition and performance of*  
37 *the state highway system; and*  
38 ~~(o)(16)(17)~~ an explanation of any material changes from the previous  
39 annual report.  
40 (b) *In addition to the governor and each member of the legislature,*  
41 *the secretary shall post the report on the official internet page for the*  
42 *Kansas department of transportation and shall provide notice of the online*  
43 *posting to all persons or entities requesting such notice. Persons or*

1 *entities requesting notice shall provide the secretary an email address via*  
2 *the Kansas department of transportation's official internet page.*

3 Sec.-7. 8. K.S.A. 68-2316 is hereby amended to read as follows: 68-  
4 2316. (a) For the period beginning July 1, 2010, through June 30, 2020,  
5 the secretary of transportation shall expend or commit to expend, from the  
6 revenue provided under the provisions of the transportation works for  
7 Kansas program, at least \$8,000,000 for projects or programs authorized  
8 under K.S.A. 68-2314b, and amendments thereto, in each county of the  
9 state.

10 (b) *For the period beginning July 1, 2020, through June 30, 2030, the*  
11 *secretary shall expend or commit to expend, from the revenue provided*  
12 *under the provisions of the FORWARD program, at least \$8,000,000 for*  
13 *projects or programs authorized under section 1, and amendments thereto,*  
14 *in each county of the state.*

15 Sec.-8. 9. K.S.A. 75-5035 is hereby amended to read as follows: 75-  
16 5035. (a) There is hereby established in the state treasury the coordinated  
17 public transportation assistance fund. Any expenditures from the fund shall  
18 be for the coordinated development, improvement or maintenance of  
19 transportation systems for elderly persons, persons with disabilities or the  
20 general public under this act and shall be made in accordance with  
21 appropriation acts upon warrants of the director of accounts and reports  
22 issued pursuant to vouchers approved by the secretary *of transportation* or  
23 by a person designated by the secretary.

24 (b) (1) On July 1, 1999, and each July 1 thereafter through July 1,  
25 2012, the director of accounts and reports shall transfer \$6,000,000 from  
26 the state highway fund to the coordinated public transportation assistance  
27 fund.

28 (2) On July 1, 2013, and each July 1, thereafter, the director of  
29 accounts and reports shall transfer \$11,000,000 from the state highway  
30 fund to the coordinated public transportation assistance fund. *The*  
31 *secretary is hereby authorized to transfer additional moneys to the*  
32 *coordinated public transportation assistance fund from the state highway*  
33 *fund and moneys from the coordinated public transportation assistance*  
34 *fund to the state highway fund. In no event shall the amount remaining in*  
35 *the fund and the amount spent or dedicated for grants or projects for*  
36 ***public transportation*** *in each fiscal year fall below \$11,000,000.*

37 Sec.-9. 10. K.S.A. 75-5048 is hereby amended to read as follows: 75-  
38 5048. (a) The secretary of transportation is hereby authorized to make  
39 loans or grants to a qualified entity for the purpose of facilitating the  
40 financing, acquisition or rehabilitation of railroads and rolling stock in the  
41 state of Kansas.

42 (b) Such loans or grants shall be made upon such terms and  
43 conditions as the secretary ~~of transportation~~ may deem appropriate, and

1 such loans or grants shall be made from funds credited to the rail service  
2 improvement fund.

3 (c) The rail service improvement fund is hereby established in the  
4 state treasury which shall be for the purpose of facilitating the financing,  
5 acquisition and rehabilitation of railroads pursuant to subsection (a) of this  
6 section and for the refinancing thereof. The ~~secretary of transportation~~  
7 shall administer the rail service improvement fund. All expenditures from  
8 the rail service improvement fund shall be made in accordance with  
9 appropriation acts upon warrants of the director of accounts and reports  
10 issued pursuant to vouchers approved by the ~~secretary of transportation~~ or  
11 by a person or persons designated by the secretary.

12 (d) All moneys received from the federal government, pursuant to  
13 K.S.A. 75-5026, and amendments thereto, shall be remitted to the state  
14 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
15 amendments thereto. Upon receipt of each such remittance, the state  
16 treasurer shall deposit the entire amount in the state treasury to the credit  
17 of the rail service improvement fund.

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

23 (f) On July 1, 2013, and each July 1 thereafter, the director of  
24 accounts and reports shall transfer \$5,000,000 from the state highway fund  
25 to the rail service improvement fund. ~~(g) — The secretary of transportation~~  
26 ~~is hereby authorized to transfer moneys from the state highway fund to the~~  
27 ~~rail service improvement fund or from the rail service improvement fund~~  
28 ~~to the state highway fund. In transferring moneys from the rail service~~  
29 ~~improvement fund, the secretary of transportation shall not diminish the~~  
30 ~~moneys transferred under subsection (f) In no event shall the amount~~  
31 ~~remaining in the rail service fund and the amount spent or dedicated for~~  
32 ~~loans or grants in each fiscal year be less than \$5,000,000.~~

33 ~~(h)~~(g) *As used in this section, "qualified entity" means any interstate*  
34 *commerce commission certificated railroad, a port authority established in*  
35 *accordance with Kansas laws, or any entity meeting the rules and*  
36 *regulations established by K.S.A. 75-5050, and amendments thereto.*

37 ~~Sec. 10.~~ **II.** K.S.A. 75-5061 is hereby amended to read as follows:  
38 75-5061. (a) The secretary of transportation is hereby authorized and  
39 empowered to: (1) Solicit and receive moneys from any public or private  
40 sources; and (2) establish and administer a grant program for public use  
41 general aviation airports for the purpose of planning, constructing,  
42 reconstructing or rehabilitating the facilities of such public use general  
43 aviation airports.

1 (b) Such grants shall be made upon such terms and conditions as the  
2 secretary of transportation deems appropriate, and such grants shall be  
3 made from funds credited to the public use general aviation airport  
4 development fund.

5 (c) The public use general aviation airport development fund is  
6 hereby established in the state treasury which shall be for the purpose of  
7 planning, constructing, reconstructing or rehabilitating the facilities of  
8 public use general aviation airports pursuant to subsection (a) of this  
9 section. All moneys received pursuant to subsection (a) shall be remitted to  
10 the state treasurer at least monthly and deposited in the state treasury to the  
11 credit of the public use general aviation airport development fund. The  
12 secretary of transportation shall administer the public use general aviation  
13 airport development fund. All expenditures from the public use general  
14 aviation airport development fund shall be made in accordance with  
15 appropriation acts upon warrants of the director of accounts and reports  
16 issued pursuant to vouchers approved by the secretary of transportation or  
17 by a person or persons designated by the secretary.

18 (d) (1) On July 1, 1999, and each July 1 thereafter through July 1,  
19 2012, the director of accounts and reports shall transfer \$3,000,000 from  
20 the state highway fund to the public use general aviation airport  
21 development fund.

22 (2) On July 1, 2013, and each July 1; thereafter, the director of  
23 accounts and reports shall transfer \$5,000,000 from the state highway fund  
24 to the public use general aviation airport development fund. *The secretary*  
25 *is hereby authorized to transfer additional moneys to the public use*  
26 *general aviation airport development fund from the state highway fund,*  
27 *and moneys from the public use general aviation airport development fund*  
28 *to the state highway fund. In no event shall the amount remaining in the*  
29 *public use general aviation airport development fund and the amount*  
30 *spent or dedicated for grants in each fiscal year be less than \$5,000,000.*

31 (e) As used in this section, "public use general aviation airport"  
32 means any airport available for use by the general public for the landing  
33 and taking off of aircraft, but shall not include any airport classified as a  
34 primary airport by the federal aviation administration.

35 (f) The secretary of transportation may adopt rules and regulations for  
36 the purpose of implementing the provisions of this section.

37 ~~Sec. 4.~~ **12.** K.S.A. 79-3603 is hereby amended to read as follows:  
38 79-3603. For the privilege of engaging in the business of selling tangible  
39 personal property at retail in this state or rendering or furnishing any of the  
40 services taxable under this act, there is hereby levied and there shall be  
41 collected and paid a tax at the rate of ~~6.15%, and commencing July 1,~~  
42 ~~2015, at the rate of 6.5%. On and after July 1, 2021, 16.154% of the 6.5%~~  
43 ~~rate imposed shall be levied for the state highway fund, the state highway~~

1 *fund purposes and those purposes specified in K.S.A. 68-416, and*  
2 *amendments thereto, and all revenue collected and received from such tax*  
3 *levy shall be deposited in the state highway fund. Within a redevelopment*  
4 *district established pursuant to K.S.A. 74-8921, and amendments thereto,*  
5 *there is hereby levied and there shall be collected and paid an additional*  
6 *tax at the rate of 2% until the earlier of the date the bonds issued to finance*  
7 *or refinance the redevelopment project have been paid in full or the final*  
8 *scheduled maturity of the first series of bonds issued to finance any part of*  
9 *the project upon:*

10 (a) The gross receipts received from the sale of tangible personal  
11 property at retail within this state;

12 (b) the gross receipts from intrastate, interstate or international  
13 telecommunications services and any ancillary services sourced to this  
14 state in accordance with K.S.A. 79-3673, and amendments thereto, except  
15 that telecommunications service does not include: (1) Any interstate or  
16 international 800 or 900 service; (2) any interstate or international private  
17 communications service as defined in K.S.A. 79-3673, and amendments  
18 thereto; (3) any value-added nonvoice data service; (4) any  
19 telecommunication service to a provider of telecommunication services  
20 which will be used to render telecommunications services, including  
21 carrier access services; or (5) any service or transaction defined in this  
22 section among entities classified as members of an affiliated group as  
23 provided by section 1504 of the federal internal revenue code of 1986, as  
24 in effect on January 1, 2001;

25 (c) the gross receipts from the sale or furnishing of gas, water,  
26 electricity and heat, which sale is not otherwise exempt from taxation  
27 under the provisions of this act, and whether furnished by municipally or  
28 privately owned utilities, except that, on and after January 1, 2006, for  
29 sales of gas, electricity and heat delivered through mains, lines or pipes to  
30 residential premises for noncommercial use by the occupant of such  
31 premises, and for agricultural use and also, for such use, all sales of  
32 propane gas, the state rate shall be 0%; and for all sales of propane gas, LP  
33 gas, coal, wood and other fuel sources for the production of heat or  
34 lighting for noncommercial use of an occupant of residential premises, the  
35 state rate shall be 0%, but such tax shall not be levied and collected upon  
36 the gross receipts from: (1) The sale of a rural water district benefit unit;  
37 (2) a water system impact fee, system enhancement fee or similar fee  
38 collected by a water supplier as a condition for establishing service; or (3)  
39 connection or reconnection fees collected by a water supplier;

40 (d) the gross receipts from the sale of meals or drinks furnished at any  
41 private club, drinking establishment, catered event, restaurant, eating  
42 house, dining car, hotel, drugstore or other place where meals or drinks are  
43 regularly sold to the public;

1 (e) the gross receipts from the sale of admissions to any place  
2 providing amusement, entertainment or recreation services including  
3 admissions to state, county, district and local fairs, but such tax shall not  
4 be levied and collected upon the gross receipts received from sales of  
5 admissions to any cultural and historical event which occurs triennially;

6 (f) the gross receipts from the operation of any coin-operated device  
7 dispensing or providing tangible personal property, amusement or other  
8 services except laundry services, whether automatic or manually operated;

9 (g) the gross receipts from the service of renting of rooms by hotels,  
10 as defined by K.S.A. 36-501, and amendments thereto, or by  
11 accommodation brokers, as defined by K.S.A. 12-1692, and amendments  
12 thereto, but such tax shall not be levied and collected upon the gross  
13 receipts received from sales of such service to the federal government and  
14 any agency, officer or employee thereof in association with the  
15 performance of official government duties;

16 (h) the gross receipts from the service of renting or leasing of tangible  
17 personal property except such tax shall not apply to the renting or leasing  
18 of machinery, equipment or other personal property owned by a city and  
19 purchased from the proceeds of industrial revenue bonds issued prior to  
20 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through  
21 12-1749, and amendments thereto, and any city or lessee renting or leasing  
22 such machinery, equipment or other personal property purchased with the  
23 proceeds of such bonds who shall have paid a tax under the provisions of  
24 this section upon sales made prior to July 1, 1973, shall be entitled to a  
25 refund from the sales tax refund fund of all taxes paid thereon;

26 (i) the gross receipts from the rendering of dry cleaning, pressing,  
27 dyeing and laundry services except laundry services rendered through a  
28 coin-operated device whether automatic or manually operated;

29 (j) the gross receipts from the rendering of the services of washing  
30 and washing and waxing of vehicles;

31 (k) the gross receipts from cable, community antennae and other  
32 subscriber radio and television services;

33 (l) (1) except as otherwise provided by paragraph (2), the gross  
34 receipts received from the sales of tangible personal property to all  
35 contractors, subcontractors or repairmen for use by them in erecting  
36 structures, or building on, or otherwise improving, altering, or repairing  
37 real or personal property.

38 (2) Any such contractor, subcontractor or repairman who maintains  
39 an inventory of such property both for sale at retail and for use by them for  
40 the purposes described by paragraph (1) shall be deemed a retailer with  
41 respect to purchases for and sales from such inventory, except that the  
42 gross receipts received from any such sale, other than a sale at retail, shall  
43 be equal to the total purchase price paid for such property and the tax



1 imposed thereon shall be paid by the deemed retailer;

2 (m) the gross receipts received from fees and charges by public and  
3 private clubs, drinking establishments, organizations and businesses for  
4 participation in sports, games and other recreational activities, but such tax  
5 shall not be levied and collected upon the gross receipts received from: (1)  
6 Fees and charges by any political subdivision, by any organization exempt  
7 from property taxation pursuant to K.S.A. 79-201 *Ninth*, and amendments  
8 thereto, or by any youth recreation organization exclusively providing  
9 services to persons 18 years of age or younger which is exempt from  
10 federal income taxation pursuant to section 501(c)(3) of the federal  
11 internal revenue code of 1986, for participation in sports, games and other  
12 recreational activities; and (2) entry fees and charges for participation in a  
13 special event or tournament sanctioned by a national sporting association  
14 to which spectators are charged an admission which is taxable pursuant to  
15 subsection (e);

16 (n) the gross receipts received from dues charged by public and  
17 private clubs, drinking establishments, organizations and businesses,  
18 payment of which entitles a member to the use of facilities for recreation  
19 or entertainment, but such tax shall not be levied and collected upon the  
20 gross receipts received from: (1) Dues charged by any organization exempt  
21 from property taxation pursuant to K.S.A. 79-201 *Eighth* and *Ninth*, and  
22 amendments thereto; and (2) sales of memberships in a nonprofit  
23 organization which is exempt from federal income taxation pursuant to  
24 section 501(c)(3) of the federal internal revenue code of 1986, and whose  
25 purpose is to support the operation of a nonprofit zoo;

26 (o) the gross receipts received from the isolated or occasional sale of  
27 motor vehicles or trailers but not including: (1) The transfer of motor  
28 vehicles or trailers by a person to a corporation or limited liability  
29 company solely in exchange for stock securities or membership interest in  
30 such corporation or limited liability company; (2) the transfer of motor  
31 vehicles or trailers by one corporation or limited liability company to  
32 another when all of the assets of such corporation or limited liability  
33 company are transferred to such other corporation or limited liability  
34 company; or (3) the sale of motor vehicles or trailers which are subject to  
35 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and  
36 amendments thereto, by an immediate family member to another  
37 immediate family member. For the purposes of paragraph (3), immediate  
38 family member means lineal ascendants or descendants, and their spouses.  
39 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act  
40 on the isolated or occasional sale of motor vehicles or trailers on and after  
41 July 1, 2004, which the base for computing the tax was the value pursuant  
42 to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when  
43 such amount was higher than the amount of sales tax which would have

1 been paid under the law as it existed on June 30, 2004, shall be refunded to  
2 the taxpayer pursuant to the procedure prescribed by this section. Such  
3 refund shall be in an amount equal to the difference between the amount of  
4 sales tax paid by the taxpayer and the amount of sales tax which would  
5 have been paid by the taxpayer under the law as it existed on June 30,  
6 2004. Each claim for a sales tax refund shall be verified and submitted not  
7 later than six months from the effective date of this act to the director of  
8 taxation upon forms furnished by the director and shall be accompanied by  
9 any additional documentation required by the director. The director shall  
10 review each claim and shall refund that amount of tax paid as provided by  
11 this act. All such refunds shall be paid from the sales tax refund fund, upon  
12 warrants of the director of accounts and reports pursuant to vouchers  
13 approved by the director of taxation or the director's designee. No refund  
14 for an amount less than \$10 shall be paid pursuant to this act. In  
15 determining the base for computing the tax on such isolated or occasional  
16 sale, the fair market value of any motor vehicle or trailer traded in by the  
17 purchaser to the seller may be deducted from the selling price;

18 (p) the gross receipts received for the service of installing or applying  
19 tangible personal property which when installed or applied is not being  
20 held for sale in the regular course of business, and whether or not such  
21 tangible personal property when installed or applied remains tangible  
22 personal property or becomes a part of real estate, except that no tax shall  
23 be imposed upon the service of installing or applying tangible personal  
24 property in connection with the original construction of a building or  
25 facility, the original construction, reconstruction, restoration, remodeling,  
26 renovation, repair or replacement of a residence or the construction,  
27 reconstruction, restoration, replacement or repair of a bridge or highway.

28 For the purposes of this subsection:

29 (1) "Original construction" shall mean the first or initial construction  
30 of a new building or facility. The term "original construction" shall include  
31 the addition of an entire room or floor to any existing building or facility,  
32 the completion of any unfinished portion of any existing building or  
33 facility and the restoration, reconstruction or replacement of a building,  
34 facility or utility structure damaged or destroyed by fire, flood, tornado,  
35 lightning, explosion, windstorm, ice loading and attendant winds,  
36 terrorism or earthquake, but such term, except with regard to a residence,  
37 shall not include replacement, remodeling, restoration, renovation or  
38 reconstruction under any other circumstances;

39 (2) "building" shall mean only those enclosures within which  
40 individuals customarily are employed, or which are customarily used to  
41 house machinery, equipment or other property, and including the land  
42 improvements immediately surrounding such building;

43 (3) "facility" shall mean a mill, plant, refinery, oil or gas well, water

1 well, feedlot or any conveyance, transmission or distribution line of any  
2 cooperative, nonprofit, membership corporation organized under or subject  
3 to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or  
4 municipal or quasi-municipal corporation, including the land  
5 improvements immediately surrounding such facility;

6 (4) "residence" shall mean only those enclosures within which  
7 individuals customarily live;

8 (5) "utility structure" shall mean transmission and distribution lines  
9 owned by an independent transmission company or cooperative, the  
10 Kansas electric transmission authority or natural gas or electric public  
11 utility; and

12 (6) "windstorm" shall mean straight line winds of at least 80 miles per  
13 hour as determined by a recognized meteorological reporting agency or  
14 organization;

15 (q) the gross receipts received for the service of repairing, servicing,  
16 altering or maintaining tangible personal property which when such  
17 services are rendered is not being held for sale in the regular course of  
18 business, and whether or not any tangible personal property is transferred  
19 in connection therewith. The tax imposed by this subsection shall be  
20 applicable to the services of repairing, servicing, altering or maintaining an  
21 item of tangible personal property which has been and is fastened to,  
22 connected with or built into real property;

23 (r) the gross receipts from fees or charges made under service or  
24 maintenance agreement contracts for services, charges for the providing of  
25 which are taxable under the provisions of subsection (p) or (q);

26 (s) on and after January 1, 2005, the gross receipts received from the  
27 sale of prewritten computer software and the sale of the services of  
28 modifying, altering, updating or maintaining prewritten computer  
29 software, whether the prewritten computer software is installed or  
30 delivered electronically by tangible storage media physically transferred to  
31 the purchaser or by load and leave;

32 (t) the gross receipts received for telephone answering services;

33 (u) the gross receipts received from the sale of prepaid calling service  
34 and prepaid wireless calling service as defined in K.S.A. 79-3673, and  
35 amendments thereto;

36 (v) all sales of bingo cards, bingo faces and instant bingo tickets by  
37 licensees under K.S.A. 75-5171 et seq., and amendments thereto, shall be  
38 exempt from taxes imposed pursuant to this section; and

39 (w) all sales of charitable raffle tickets in accordance with K.S.A. 75-  
40 5171 et seq., and amendments thereto, shall be exempt from taxes imposed  
41 pursuant to this section.

42 ~~Sec. 12.~~ **13.** K.S.A. 79-3703 is hereby amended to read as follows:  
43 79-3703. There is hereby levied and there shall be collected from every

1 person in this state a tax or excise for the privilege of using, storing, or  
2 consuming within this state any article of tangible personal property. Such  
3 tax shall be levied and collected in an amount equal to the consideration  
4 paid by the taxpayer multiplied by the rate of 6.5%. *On and after July 1,*  
5 *2021, 16.154% at the 6.5% rate imposed shall be levied for the state*  
6 *highway fund, the state highway fund purposes and those purposes*  
7 *specified in K.S.A. 68-416, and amendments thereto, and all revenue*  
8 *collected and received from such tax levy shall be deposited in the state*  
9 *highway fund.* Within a redevelopment district established pursuant to  
10 K.S.A. 74-8921, and amendments thereto, there is hereby levied and there  
11 shall be collected and paid an additional tax of 2% until the earlier of: (1)  
12 The date the bonds issued to finance or refinance the redevelopment  
13 project undertaken in the district have been paid in full; or (2) the final  
14 scheduled maturity of the first series of bonds issued to finance the  
15 redevelopment project. All property purchased or leased within or without  
16 this state and subsequently used, stored or consumed in this state shall be  
17 subject to the compensating tax if the same property or transaction would  
18 have been subject to the Kansas retailers' sales tax had the transaction been  
19 wholly within this state.

20 ~~Sec. 13.~~ **14.** K.S.A. 68-416, 68-2315, 68-2316, 75-5035, 75-5048, 75-  
21 5061, 79-3603 and 79-3703 are hereby repealed.

22 ~~Sec. 14.~~ **15.** This act shall take effect and be in force from and after  
23 its publication in the statute book.