

## Senate Substitute for HOUSE BILL No. 2201

By Committee on Transportation

3-25

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1 AN ACT concerning transportation; relating to the Eisenhower legacy  
2 transportation program; decreasing the threshold amount required for  
3 alternate delivery projects; providing for the usage of federal stimulus  
4 funds for certain projects; calculating KDOT bonding and debt cap  
5 authority; amending K.S.A. 68-2320 and 68-2328 and K.S.A. 2020  
6 Supp. 68-2314c, 68-2332 and 75-5094 and repealing the existing  
7 sections.  
8

9 *Be it enacted by the Legislature of the State of Kansas:*

10 Section 1. K.S.A. 2020 Supp. 68-2314c is hereby amended to read as  
11 follows: 68-2314c. (a) In order to plan, develop and operate or coordinate  
12 the development and operation of the various modes and systems of  
13 transportation within the state, the secretary of transportation is hereby  
14 authorized and directed to initiate the Eisenhower legacy transportation  
15 program.

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

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

1 Pursuant to this subparagraph, preservation projects refer to maintenance,  
2 repairs or replacement of existing infrastructure. Federal funding from  
3 federal grants or federal stimulus may be used for preservation projects;

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

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

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

30 (2) The department of transportation shall develop criteria for the  
31 incorporation of practical improvements into designs of the projects  
32 specified in this subsection.

33 (c) (1) Except as further provided, the Eisenhower legacy  
34 transportation program shall provide for the completion of modernization  
35 and expansion projects selected for construction under the transportation  
36 works for Kansas program pursuant to K.S.A. 68-2314b, and amendments  
37 thereto. Such projects shall be let prior to July 1, 2023. The secretary shall  
38 let to construction contract at least one phase of each remaining  
39 transportation works for Kansas program project before any new  
40 modernization or expansion project, or both, under the Eisenhower legacy  
41 transportation program are let to construction. A transportation works for  
42 Kansas program selected project in Harvey county generally described as  
43 an approximate one-mile reconstruction of the I-135 and 36<sup>th</sup> street

1 interchange may not be constructed. If such project is not constructed, the  
2 estimated construction costs for such project shall be used on other  
3 construction projects in the Kansas department of transportation's south-  
4 central district.

5 *(2) Notwithstanding the provisions of paragraph (1), the secretary*  
6 *may let to construction at any time any modernization or expansion*  
7 *projects under the Eisenhower legacy transportation program that utilize*  
8 *federal stimulus funds regardless of whether transportation works for*  
9 *Kansas program projects, or any phase thereof, have been let. No moneys*  
10 *received from federal stimulus funds shall be expended pursuant to this*  
11 *paragraph unless the expenditure either has been approved by an*  
12 *appropriation or other act of the legislature or has been approved by the*  
13 *state finance council acting on this matter, which is hereby characterized*  
14 *as a matter of legislative delegation and subject to the guidelines*  
15 *prescribed in K.S.A. 75-3711c(c), and amendments thereto.*

16 (d) The Eisenhower legacy transportation program shall provide for  
17 assistance, including credit and credit enhancements, to cities and counties  
18 in meeting their responsibilities for the construction, improvement,  
19 reconstruction and maintenance of transportation improvements. Such  
20 programs may use criteria developed by the Kansas department of  
21 transportation for the incorporation of practical improvements into designs  
22 of projects. Expenditures under this subsection may include, but may not  
23 be limited to, the following:

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

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

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

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

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

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

41 (e) The Eisenhower legacy transportation program shall provide for a  
42 railroad program to provide assistance in accordance with K.S.A. 75-5040  
43 through 75-5050, and amendments thereto, for the preservation and

1 revitalization of rail service in the state.

2 (f) The Eisenhower legacy transportation program shall provide for  
3 an aviation program to provide assistance for the planning, constructing,  
4 reconstructing or rehabilitating the facilities of public use general aviation  
5 airports, in accordance with K.S.A. 75-5061, and amendments thereto.

6 (g) The Eisenhower legacy transportation program shall provide for  
7 public transit programs to aid elderly persons, persons with disabilities and  
8 the general public, in accordance with K.S.A. 75-5032 through 75-5038  
9 and 75-5051 through 75-5058, and amendments thereto.

10 (h) The Eisenhower legacy transportation program shall provide for a  
11 transportation technology program to provide for multimodal  
12 transportation-related projects that support innovative technology, in  
13 accordance with K.S.A. 2020 Supp. 75-5093, and amendments thereto.

14 (i) The Eisenhower legacy transportation program shall provide for a  
15 multimodal program to provide transportation improvement assistance for  
16 bike facilities, pedestrian facilities or other transportation-sensitive  
17 economic opportunities on a local or a regional basis.

18 (j) The Eisenhower legacy transportation program shall allow the  
19 secretary to award certain state highway system projects using alternative  
20 delivery procurement methods, other than an award of a design-bid-build,  
21 as provided for in K.S.A. 2020 Supp. 68-2332, and amendments thereto.

22 (k) The Eisenhower legacy transportation program shall provide for a  
23 broadband infrastructure construction program, in accordance with K.S.A.  
24 2020 Supp. 75-5094, and amendments thereto.

25 (l) (1) State highway fund revenues that include, but are not limited to,  
26 motor fuel taxes, vehicle registrations, sales and compensating use  
27 taxes and eligible federal aid shall be used in the following order of  
28 priority:

29 (A) To pay bond covenant obligations;

30 (B) to pay for agency operations;

31 (C) to make city connecting link payments authorized under K.S.A.  
32 68-416, and amendments thereto; and

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

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

38 (3) All new bonds issued for the purposes of the Eisenhower legacy  
39 transportation program shall be paid using all state highway fund revenue,  
40 including revenue collected or received pursuant to K.S.A. 79-3620(c) and  
41 79-3710(c), and amendments thereto.

42 (m) (1) The secretary shall, using the Kansas department of  
43 transportation selection methods and criteria, determine the projects to be

1 selected for inclusion under the Eisenhower legacy transportation program.  
2 Consideration may be given to additional criteria that may include projects  
3 that:

4 (A) Remove transportation infrastructure from the state highway  
5 system;

6 (B) identify priority corridors;

7 (C) include local monetary participation; or

8 (D) reduce project size.

9 (2) (A) It is the intent of the legislature that the secretary shall  
10 develop a metric-driven process that determines a reasonable and fair  
11 minimum amount of state highway fund moneys to be spent on new  
12 modernization and expansion projects in each of the Kansas department of  
13 transportation's districts over the duration of the Eisenhower legacy  
14 transportation program.

15 (B) The process for determining the minimum amount of  
16 modernization and expansion project moneys shall be subject to the  
17 following:

18 (i) Adding together the minimum moneys set for each of the Kansas  
19 department of transportation's districts pursuant to paragraph (2)(A), the  
20 total shall be at least 50% of the estimated cost of constructing all  
21 modernization and expansion projects let to contract in the Eisenhower  
22 legacy transportation program.

23 (ii) If the estimated cost of constructing all modernization and  
24 expansion projects in the Eisenhower legacy transportation program  
25 increases or decreases by more than 10%, then the minimum amount will  
26 be adjusted accordingly while still satisfying ~~subparagraph~~ *paragraph* (2)  
27 (B)(i).

28 (iii) For each of the Kansas department of transportation's districts, at  
29 least 40% of the minimum amounts determined in paragraph (2)(A), or  
30 adjusted amounts according to paragraph (2)(B)(ii), shall be let to  
31 construction contract by the end of year five of the Eisenhower legacy  
32 transportation program, and 100% of the minimum amounts determined in  
33 paragraph (2)(A), or adjusted amounts according to paragraph (2)(B)(ii),  
34 shall be let to construction contract by year 10 of the Eisenhower legacy  
35 transportation program.

36 (iv) Any modernization or expansion projects remaining from the  
37 transportation works for Kansas program pursuant to K.S.A. 68-2314b,  
38 and amendments thereto, shall not be considered when determining the  
39 minimum amounts in paragraph (2)(A) or (2)(B)(i).

40 (3) The secretary shall select projects for development every two  
41 years. The secretary shall select projects for construction every two years.  
42 The secretary is not required to construct every project selected for  
43 development. The selection of projects for development and construction

1 shall take place every two years, after consultation with local jurisdictions.

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

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

14 Sec. 2. K.S.A. 68-2320 is hereby amended to read as follows: 68-  
15 2320. (a) On and after July 1, 1991, the secretary of transportation is  
16 hereby authorized and empowered to issue bonds of the state of Kansas,  
17 payable solely from revenues accruing to the state highway fund and  
18 transferred to the highway bond debt service fund and pledged to their  
19 payment, for the purpose of providing funds to pay costs relating to  
20 construction, reconstruction, maintenance or improvement of highways in  
21 this state and to pay all expenses incidental thereto and to the bonds. The  
22 secretary is hereby authorized to issue bonds the total principal amount of  
23 which shall not exceed \$890,000,000.

24 (b) In addition to the provisions of subsection (a), on and after July 1,  
25 1999, the secretary of transportation is hereby authorized and empowered  
26 to issue bonds of the state of Kansas, payable solely from revenues  
27 accruing to the state highway fund and transferred to the highway bond  
28 debt service fund and pledged to their payment, for the purpose of  
29 providing funds to pay costs relating to construction, reconstruction,  
30 maintenance or improvement of highways in this state and to pay all  
31 expenses incidental thereto and to the bonds. The secretary is hereby  
32 authorized to issue bonds the total principal amount of which shall not  
33 exceed \$1,272,000,000.

34 (c) (1) In addition to the provisions of subsections (a) and (b), on and  
35 after July 1, 2010, the secretary of transportation is hereby authorized and  
36 empowered to issue additional bonds of the state of Kansas, payable solely  
37 from revenues accruing to the state highway fund and transferred to the  
38 highway bond debt service fund and pledged to their payment, for the  
39 purpose of providing funds to pay costs relating to construction,  
40 reconstruction, maintenance or improvement of highways in this state and  
41 to pay all expenses incidental thereto and to the bonds. On and after the  
42 effective date of this act, except as provided further, no bonds shall be  
43 issued by the secretary pursuant to this subsection unless the secretary

1 certifies that, as of the date of issuance of any such series of additional  
2 bonds, the maximum annual debt service on all outstanding bonds issued  
3 pursuant to this section and K.S.A. 68-2328, and amendments thereto,  
4 including the bonds to be issued on such date, will not exceed 18% of  
5 projected state highway fund revenues for the current or any future fiscal  
6 year. During the fiscal year ending June 30, 2018, and the fiscal year  
7 ending June 30, 2019, the limitation on the amount of the maximum total  
8 amount of principal on all outstanding bonds issued pursuant to this  
9 subsection and K.S.A. 68-2328, and amendments thereto, for the purpose  
10 of issuing any such series of additional bonds authorized by the secretary  
11 shall be \$1,700,000,000 of the total principal for the transportation works  
12 for Kansas program authorized under K.S.A. 68-2314b et seq., and  
13 amendments thereto. The provisions of this section relating to limitations  
14 of bonded indebtedness shall not in any way impair the rights and  
15 remedies of the holders of any bonds issued prior to the effective date of  
16 this act.

17 (2) As used in this subsection:

18 (A) "Maximum annual debt service" means the maximum amount of  
19 debt service requirements on all outstanding bonds for the current or any  
20 future fiscal year;

21 (B) "debt service requirements" means, for each fiscal year, the  
22 aggregate principal and interest payments required to be made during such  
23 fiscal year on all outstanding bonds, including the additional bonds to be  
24 issued, less any interest subsidy payments expected to be received from  
25 the federal government, less any principal and interest payments  
26 irrevocably provided for from a dedicated escrow of United States  
27 government securities;

28 (C) "projected state highway fund revenues" means all revenues  
29 projected by the secretary of transportation to accrue to the state highway  
30 fund for the current or any future fiscal year; and

31 (D) "fiscal year" means the fiscal year of the state.

32 (3) Debt service requirements for variable rate bonds outstanding or  
33 proposed to be issued for the current or any future fiscal year for which the  
34 actual interest rate cannot be determined on the date of calculation shall be  
35 deemed to bear interest at an assumed rate equal to the average of the  
36 SIFMA swap index, or any successor variable rate index, for the  
37 immediately preceding five calendar years plus 1% and an amount  
38 determined by the secretary that represents the then current reasonable  
39 annual ancillary costs associated with variable rate debt, including credit  
40 enhancement, liquidity and remarketing costs; except that, debt service  
41 requirements for variable rate bonds that are hedged pursuant to an interest  
42 rate exchange or similar agreement that results in synthetic fixed rate debt  
43 shall be deemed to bear interest at the synthetic fixed rate plus .5% and an

1 amount determined by the secretary that represents the then current  
2 reasonable annual ancillary costs associated with variable rate debt,  
3 including credit enhancement, liquidity and remarketing costs.

4 (4) Projected state highway fund revenues for the current or any  
5 future fiscal year for which the actual revenues cannot be determined on  
6 the date of calculation shall be deemed to be the actual revenues for the  
7 most recently completed fiscal year, ~~adjusted in each subsequent fiscal~~  
8 ~~year by a percentage equal to the historical average annual increase or~~  
9 ~~decrease in revenues for the five fiscal year period prior to the current~~  
10 ~~fiscal year, and further adjusted to take into account any increases or~~  
11 ~~decreases in the statutory rates of any taxes or other charges or transfers~~  
12 ~~that comprise a portion of the revenues.~~

13 (d) In accordance with procurement statutes, the secretary may  
14 contract with financial advisors, attorneys and such other professional  
15 services as the secretary deems necessary to carry out the provisions of  
16 this act, and to do all things necessary or convenient to carry out the  
17 powers expressly granted in this act.

18 Sec. 3. K.S.A. 68-2328 is hereby amended to read as follows: 68-  
19 2328. (a) Bonds may be issued for the purpose of refunding, either at  
20 maturity or in advance of maturity, any bonds issued under this act, any  
21 interest on such bonds or both bonds and the interest thereof. Such  
22 refunding bonds may either be sold or delivered in exchange for the bonds  
23 being refunded. If sold, the proceeds may either be applied to the payment  
24 of the bonds being refunded or deposited in trust and there maintained in  
25 cash or investments for the retirement of the bonds being refunded, as shall  
26 be specified by the secretary and the authorizing resolution or trust  
27 indenture securing such refunding bonds. The authorizing resolution or  
28 trust indenture securing the refunding bonds may provide that the  
29 refunding bonds shall have the same security for their payment as provided  
30 for the bonds being refunded. Refunding bonds shall be sold and secured  
31 in accordance with the provisions of this act pertaining to the sale and  
32 security of the bonds. Any bonds that have been issued pursuant to this  
33 section shall not be counted toward the limit on the aggregate principal  
34 amount of bonds established under ~~subsections (a) and (b) of K.S.A. 68-~~  
35 ~~2320(a) and (b), and amendments thereto, and such bonds shall not be~~  
36 ~~subject to the limitations on the issuance of bonds established under~~  
37 ~~K.S.A. 68-2320(c), and amendments thereto.~~

38 (b) When all bonds issued under article 23 of chapter 68 of the  
39 Kansas Statutes Annotated, and amendments thereto, have either been paid  
40 or the lien of such bonds shall have been defeased in accordance with their  
41 terms so that the bonds are deemed to have been paid, the secretary of  
42 transportation shall certify such facts to the director of accounts and  
43 reports and upon receipt of such certification the director of accounts and



1 reports shall transfer all moneys in the state freeway fund to the state  
2 highway fund and upon such transfer all liabilities of the state freeway  
3 fund are hereby transferred to and imposed upon the state highway fund  
4 and the state freeway fund is hereby abolished. Upon the abolition of the  
5 state freeway fund, any reference to the state freeway fund or any  
6 designation thereof, in any statute, contract or other document shall mean  
7 the state highway fund.

8 Sec. 4. K.S.A. 2020 Supp. 68-2332 is hereby amended to read as  
9 follows: 68-2332. (a) The Eisenhower legacy transportation program shall  
10 allow the secretary of transportation to award certain state highway system  
11 projects using alternative delivery procurement methods other than award  
12 of a design-bid-build contract to the lowest bidder as provided in K.S.A.  
13 68-410, and amendments thereto, subject to the following:

14 (1) Projects selected for alternative delivery shall not include  
15 preservation projects as described in K.S.A. 2020 Supp. 68-2314c, and  
16 amendments thereto;

17 (2) alternative delivery may be used on three projects utilizing toll  
18 revenues for construction and maintenance of the project. One project  
19 utilizing toll revenues may be let to construction once every three years;

20 (3) not more than 3% of dollars spent in the Eisenhower legacy  
21 transportation program shall be used on alternative delivery. An additional  
22 2% of dollars spent in the Eisenhower legacy transportation program shall  
23 be available for use on alternative delivery starting in fiscal year 2023. The  
24 dollar value of the three projects utilizing toll revenues referenced in  
25 paragraph (2) and projects obtained through federal grants or federal  
26 stimulus shall not be considered in determining the limits set forth in this  
27 paragraph; and

28 (4) any project utilizing alternative delivery shall equal or exceed  
29 ~~\$100,000,000~~ \$10,000,000 in costs.

30 (b) In addition to the requirements in subsection (a), alternative  
31 delivery projects in the Eisenhower legacy transportation program shall be  
32 subject to the following requirements and restrictions:

33 (1) Procurement methods for transportation alternative delivery  
34 projects may provide for a single contract or multiple contracts that  
35 include, but are not limited to, services for preconstruction, design,  
36 construction, construction management, maintenance, operation, financing  
37 or a combination thereof;

38 (2) the Kansas department of transportation shall develop and utilize  
39 criteria for selecting whether alternative delivery or design-bid-build  
40 procurement process is in the best interest of the state. No project will be  
41 selected for alternative delivery without having been evaluated under the  
42 selection criteria established by the department. The selection criteria shall  
43 include, but not be limited to, the need for accelerated schedule, safety

1 needs, project complexity, opportunity for innovation and economic  
2 development; *and*

3 (3) the Kansas department of transportation shall develop and utilize  
4 procedures for advertising proposals, receiving proposals, evaluating  
5 proposals, awarding contracts and administering contracts in its alternative  
6 delivery procurement program, and the procurement procedures in K.S.A.  
7 68-408 through 68-410, 75-430a and 75-5804 through 75-5807, and  
8 amendments thereto, shall not apply to transportation alternative delivery  
9 projects.

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

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

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

19 (3) prequalification of contractors performing construction and of  
20 firms performing professional technical services by the secretary in  
21 accordance with existing state statutes, regulations, and department  
22 procedures governing prequalification and licensing;

23 (4) a bond for performance and payment or alternative security  
24 guaranteeing contract performance and payment obligations for supplies,  
25 materials and labor furnished for the alternative delivery project; and

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

30 (d) Notwithstanding any other provision of law to the contrary, a  
31 contracting entity selected for an alternative delivery project shall not be in  
32 violation of K.S.A. 74-7001 et seq., and amendments thereto, and the  
33 contract entered into by such contractor shall not be void if such contractor  
34 obtains the professional services by subcontracting with an entity or  
35 entities duly licensed or holding a certificate of authorization to perform  
36 professional services in accordance with K.S.A. 74-7001 et seq., and  
37 amendments thereto.

38 (e) Notwithstanding the provisions of K.S.A. 68-419a, and  
39 amendments thereto, a contracting entity selected for an alternative  
40 delivery project that is responsible for preparing or furnishing design plans  
41 and specifications, through its own organization or by subcontracting as  
42 provided in subsection (d), shall be liable for damages arising out of  
43 design defects in such plans and specifications resulting in injury to

1 persons or damage to property, occurring after completion of the contract  
2 and acceptance thereof by the Kansas department of transportation, if and  
3 to the extent such injury or damage arises out of a failure to exercise the  
4 degree of learning and skill ordinarily possessed by a reputable contractor  
5 or by a technical professional practicing in Kansas in the same or similar  
6 locality and under similar circumstances. Nothing contained in this  
7 subsection shall be construed as abrogating, limiting or otherwise affecting  
8 any cause of action accruing to the state or any agency or instrumentality  
9 thereof that was a party to such contract.

10 Sec. 5. K.S.A. 2020 Supp. 75-5094 is hereby amended to read as  
11 follows: 75-5094. (a) The secretary of transportation is hereby authorized  
12 and empowered to make grants for construction projects, the purpose of  
13 which is to expand and improve broadband service in the state of Kansas.  
14 The secretary of transportation is authorized to make such grants when  
15 working jointly with the office of broadband development within the  
16 department of commerce.

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

24 (c) Grants made by the secretary of transportation from the  
25 broadband infrastructure construction grant fund shall reimburse grant  
26 recipients for up to 50% of actual construction costs in expanding and  
27 improving broadband service in the state of Kansas. Such grant  
28 reimbursements shall be upon such terms and conditions as the secretary  
29 of transportation may deem appropriate, in coordination with the secretary  
30 of commerce.

31 (d) On July 1, 2020, and each July 1 thereafter through July 1, 2022,  
32 the director of accounts and reports shall transfer \$5,000,000 from the state  
33 highway fund to the broadband infrastructure construction grant fund. On  
34 July 1, 2023, and each July 1 thereafter through July 1, 2030, the director  
35 of accounts and reports shall transfer \$10,000,000 from the state highway  
36 fund to the broadband infrastructure construction grant fund. At the end of  
37 each fiscal year, the secretary of transportation is hereby authorized to  
38 notify the director of accounts and reports to transfer all remaining and  
39 unencumbered funds from the broadband infrastructure construction grant  
40 fund to the state highway fund.

41 Sec. 6. K.S.A. 68-2320 and 68-2328 and K.S.A. 2020 Supp. 68-  
42 2314c, 68-2332 and 75-5094 are hereby repealed.

43 Sec. 7. This act shall take effect and be in force from and after its

- 1 publication in the statute book.