

SESSION OF 2021

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2201

As Amended by House Committee on
Transportation

Brief*

HB 2201, as amended, would modify certain provisions related to the Eisenhower Legacy Transportation Program (Eisenhower Program).

The bill would authorize the Secretary of Transportation (Secretary) to let to construction any modernization or expansion project under the Eisenhower Program that would utilize federal stimulus funds regardless of whether at least one phase of each of the remaining Transportation Works for Kansas Program (T-Works) modernization and expansion projects has been let. Current law requires at least one phase of each modernization or expansion project selected for construction during T-Works to be let before any Eisenhower Program modernization or expansion project is let to construction.

The bill would state bonds issued for the purpose of refunding would not be subject to the maximum debt limitations on the issuance of bonds by the Secretary under T-Works or the Eisenhower Program or dollar limits for bonds issued under previous similar programs.

The bill would reduce the minimum costs for a project for which alternative delivery procurement methods could be used from \$100.0 million to \$10.0 million.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The bill would clarify transfers from the State Highway Fund to the Broadband Infrastructure Construction Grant Fund would occur each July 1, rather than each July.

Background

The bill was introduced by the House Committee on Transportation at the request of a representative of the Kansas Department of Transportation (KDOT). [Note: This bill, as introduced, and SB 116, as introduced, contained the same provisions.]

House Committee on Transportation

In the House Committee hearing, **proponent** testimony was provided by the Secretary of Transportation and representatives of the Kansas Contractors Association and the South Central Kansas Transportation Coalition. Written-only proponent testimony was provided by representatives of Kansas Good Roads, Inc.; the League of Kansas Municipalities; and the Wichita Regional Chamber of Commerce. Proponents stated the changes would allow more participation by Kansas contractors in alternative delivery projects and make such projects available to more communities; allow KDOT to take advantage of all federal transportation stimulus funds that could become available if no remaining T-Works project fit the criteria for those funds; and make the calculation of funds available for bonding consistent with the bond rating agencies' debt coverage test.

No other testimony was provided.

The House Committee amended the bill to remove provisions related to determining State Highway Fund revenues for purposes of bonding.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDOT states enactment of the bill would have no fiscal effect on agency operations and it cannot estimate any future federal stimulus funding. KDOT further states enactment of the bill would allow the agency to take advantage of any potential bond refund opportunities. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2022 Governor's Budget Report*.

Transportation program; alternative delivery; bonding