



Kansas Grain and Feed Association  
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March 16, 2023

To: Senate Committee on Transportation  
From: Randy Stookey, Senior Vice President & General Counsel, Renew Kansas, KGFA, KARA  
**Re: Joint Proponent Testimony on House Bill 2335, authorizing loans or grants for qualified track maintenance in the rail service improvement program and increasing the transfer from the state highway fund to the rail service improvement fund.**

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Chairman Petersen and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 2335. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association (Renew Kansas).

KGFA is the state association of the grain receiving, storage, processing, and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association whose membership includes over 700 companies across Kansas. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Our member grain elevators, biofuel processing plants, and agribusiness facilities contribute to the Kansas economy and provide gainful employment at livable wages for thousands of Kansans across the state. These industries also function as good corporate citizens, paying millions of dollars in property taxes annually to support schools and local government.

Our member agribusinesses, biofuel facilities, and commercial grain elevators work with Kansas farmers to provide inputs and receive, store, and transport grain and biofuels. It is vital to our state economy that agricultural inputs efficiently reach Kansas farmers, and that Kansas produced grains and biofuels are economically transported to market.

Kansas agribusinesses and grain elevators located on rail are able to take advantage of this efficient and economical mode of transportation to transport agricultural inputs and commodities. Access to short line rail results in savings for farmers when purchasing ag inputs, and in higher cash prices offered for their crops. This is especially important in this current economic climate of high inflation.

House Bill 2335 simply restructures two existing short line rail maintenance and improvement cost share programs that have successfully invested in short line rail and rail siding infrastructure. The bill encourages private and public investment in our state's rail transportation network and represents sound public policy in the growth of Kansas agriculture – our state's single largest economic sector.

Investment in this cost-share program benefits all Kansans. In 2023 alone, the state department of transportation estimates that applications to the program would have provided nearly 366k fewer commercial trucks on the road, \$6.13M savings in reduced highway damage, \$12.6M million in safety benefits; and \$69M in economic benefits from transportation efficiencies.

Without continued maintenance of short line rail, however, much of the current rail freight traffic of agricultural inputs and grain or biofuel exports would be pushed onto more costly semi-trucks on Kansas roads. The additional trucks would lead to greater road congestion and increased road maintenance costs.

This bill allows owners of industrial rail siding to apply directly for the cost share program. These investments are necessary to ensure rail siding at the facility is compatible to receive rail cars. When facilities lose access to short line rail, property values in the area decline, negatively affecting the local property tax base.

House Bill 2335 presents the opportunity for sound investment in the Kansas economy and infrastructure. We stand in strong support of the bill which the House passed on a strong bipartisan vote of 117-5.

Thank you for allowing us the opportunity to testify in support of House Bill 2335. We respectfully request that the committee pass the bill out favorably without further amendment.