

HOUSE BILL No. 2335

AN ACT concerning transportation; relating to the rail service improvement program; authorizing loans or grants for qualified track maintenance; providing a definition for qualified track maintenance; increasing the transfer amount from the state highway fund to the rail service improvement fund; amending K.S.A. 2022 Supp. 75-5048 and repealing the existing section.

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

Section 1. K.S.A. 2022 Supp. 75-5048 is hereby amended to read as follows: 75-5048. (a) The secretary of transportation is hereby authorized to make loans or grants to a qualified entity for the purpose of facilitating the financing, acquisition, *qualified track maintenance* or rehabilitation of railroads and rolling stock in the state of Kansas.

(b) Such loans or grants shall be made upon such terms and conditions as the secretary may deem appropriate, and such loans or grants shall be made from funds credited to the rail service improvement fund.

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

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

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

(f) On July 1, ~~2013~~ 2023, and each July 1 thereafter, the director of accounts and reports shall transfer ~~\$5,000,000~~ \$10,000,000 from the state highway fund to the rail service improvement fund. The secretary is hereby authorized to transfer moneys from the state highway fund to the rail service improvement fund or from the rail service improvement fund to the state highway fund. In no event shall the amount remaining in the rail service *improvement* fund and the amount spent or dedicated for loans or grants in each fiscal year be less than ~~\$5,000,000~~ \$10,000,000.

(g) As used in this section:

(1) (A) "Qualified entity" means:

(i) ~~Any interstate commerce commission-certificated surface transportation board-certificated class II or class III railroad, as defined in 49 C.F.R. § 1201.1-1(a), as in effect on July 1, 2023;~~

(ii) a port authority established in accordance with Kansas laws;

(iii) any entity meeting the rules and regulations established by K.S.A. 75-5050, and amendments thereto; or

(iv) any owner or lessee industry track, as defined in 49 C.F.R. § 218.93, as in effect on July 1, 2023, located on or adjacent to a class II or class III railroad in the state of Kansas.

(B) "Qualified entity" does not include a class I railroad as defined in 49 C.F.R. § 1201.1-1(a), as in effect on July 1, 2023.

(2) "Qualified track maintenance" means gross expenditures for the maintenance, reconstruction or replacement of railroad track, including roadbed, bridges, industrial leads and side track, and related track structures to the extent the expenditures are on track located in

the state of Kansas and such track was owned or leased by a qualified entity, as defined in paragraph (1)(D) or (E) as of July 1, 2023.

Sec. 2. K.S.A. 2022 Supp. 75-5048 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and was adopted by that body

HOUSE adopted

Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE

as amended _____

SENATE adopted

Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.