

Approved March 7, 1989  
Date

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at  
Chairperson

1:40 ~~a.m.~~/p.m. on September 1, 1987 in room 519-S of the Capitol.

All members were present ~~except~~

Committee staff present:

Bruce Kinzie, Revisor of Statutes  
Hank Avila, Legislative Research Department  
Donna Mulligan, Committee Secretary

Conferees appearing before the committee:

Mr. Ed DeSoignie, Kansas Department of Transportation  
Mr. Mike Lacke, Kansas Department of Transportation

The meeting was called to order by Chairman Crowell.

Hank Avila briefed the Committee concerning Substitute for 1987 Special Session SB-1, (As Recommended by Senate Committee on Transportation and Utilities) (See Attachment 1)

Chairman Crowell related that KDOT staff wished to discuss New Section 39, authorizing the Secretary to secure such engineering, financial or other professional services, including bond counsel, when determined necessary for the completion of the expedited highway program.

Chairman Crowell stated that previous discussion on New Section 39 centered around doing away with competitive bidding, but since then it has been learned there is not competitive bidding at the present time.

Mr. Ed DeSoignie, Kansas Department of Transportation, apologized for the misinformation provided concerning New Section 39.

Mr. Mike Lacke, State Transportation Engineer, said it was the intent of KDOT to get the process under the control of the Secretary of Transportation so that he could control the process of selections and not be dependent on anyone else which would slow down the time frame.

Mr. DeSoignie referred to information requested by Representative Spaniol concerning the number of retirees that would be retiring over the years from KDOT, and advised the projected figure for a 10-year period is 56 individuals.

Representative Moomaw discussed the county part of the special city county plan which was set up in 1970. (See Attachment 2)

He explained that before the 1970 change, basically the distribution was based on the number of miles in each county. Representative Moomaw said there are two additional parts of the formula which should be included. He said the \$5,000 per quarter would continue with each county receiving \$20,000 per year, then the registration fees would

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,  
room 519-S, Statehouse, at 1:40 ~~a.m.~~ p.m. on September 1, 19 87

be weighed at 30 percent instead of 50 percent, the number of miles traveled would be weighed at 30 percent instead of 50 percent, and the third category which is the number of miles of road in the county not including Type "A" roads.

A conceptual motion was made by Representative Moomaw that this concept be endorsed. The motion was seconded by Representative Smith.

The motion passed on a division 13-7.

A request was made by Representative that Secretary of Revenue Harley T. Duncan explain to the Committee the effects of the gasoline tax increase.

The meeting was adjourned at 3:25 p.m.

  
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Rex Crowell, Chairman



Substitute for 1987 Special Session S.B. 1  
(As Recommended by Senate Committee on  
Transportation and Utilities)

A-1:40  
9-1-87  
P.M.

The bill contains a highway finance and enhanced construction program. The main provisions are described below.

Construction Projects

The following new construction initiatives and corridor improvements are listed in the bill. (This listing is not a project priority listing.)

<u>Project Description</u>	<u>Anticipated Type of Improvement</u>	<u>Est. Cost - FY 88--FY 96 (In Millions)</u>
US-54 from Oklahoma border to Wichita	Super two	\$ 129.0
Diagonal from Hays southeast to Hutchinson and on to Wichita via K-96	Super two -- Hays to Hutchinson; four lane expressway from Hutchinson to Wichita	322.0
K-96 from Wichita to Neodesha and US-160 from Neodesha to Missouri	Super two	226.0
K-96 bypass -- Wichita	Four lane freeway	95.0
US-50 and K-154 from Colorado via Garden City and Dodge City to US-54 near Mullinville	Super two	78.0
US-75 north from Topeka to Nebraska	Super two	42.0
K-254 from Kechi to El Dorado	Four lane expressway	61.0
US-Alt. 69 from Oklahoma north to Louisburg	Super two	<u>70.0</u>
TOTAL		\$ 1,023.0

Attach-1

In addition, the bill provides for \$150.0 million, to be made available after January 1, 1988, for "debottleneck" projects, \$75.0 million of which would be funded entirely by the state and \$75.0 million for projects funded 75 percent by the state and 25 percent by local matching funds. (The first category of "debottleneck" projects consists principally of state improvements which for one reason or another were never completed, while projects in the second category could be expected to benefit primarily the local economy in communities which are experiencing congestion due to high traffic volume.)

The Secretary of Transportation will determine which "debottleneck" projects will be undertaken.

### Revenue Sources

Revenue enhancements required for the proposed highway program would come from three main sources:

Fuel Taxes. Fuel taxes (motor vehicle fuels, special fuels, and LP gas) would be increased by 4 cents per gallon -- 2 cents on October 1, 1987 and 2 cents on January 1, 1988. Interstate motor fuel user trip permits are increased from \$6.50 to \$7.50 on October 1, 1987 and to \$8.50 on January 1, 1988. Of the October 1, 1987 increase, 1 cent will be allocated to local units through the Special City and County Highway Fund; the remaining 1 cent and the additional 2 cents on January 1, 1988 will be retained at the state level. (Presently, the Special City and County Highway Fund receives 40.5 percent of net fuel tax receipts. On November 1, 1987, this percentage will be 41.9 percent and on February 1, it will change to 36.5 percent.)

Registration Fees. Annual vehicle registration fees are increased on January 1, 1988 as follows:

<u>Type of Vehicle</u>	<u>Present Fee</u>	<u>New Fee</u>	<u>% Increase</u>
Motorized bicycle	\$ 5.00	\$ 10.00	100.0%
Electrically Propelled Vehicles	6.50	13.00	100.0
Motorcycles	10.00	20.00	100.0
Passenger Vehicles			
Under 3,000 lbs.	13.00	26.00	100.0
3,000 lbs. to less than 4,000 lbs.	16.25	30.75	89.2
4,000 lbs. to less than 4,500 lbs.	19.50	35.00	79.5
4,500 lbs. and over	26.00	39.00	50.0
Trucks	<u>Range -- based on weight</u>		
Under 54,000 lbs.	25.00- 615.00	37.50- 922.50	50.0
54,000 lbs. and over	765.00- 1,475.00	1,032.75- 1,991.25	35.0

Local and 6,000 mile trucks

Under 54,000 lbs.	47.00- 315.00	70.50- 472.50	50.0
54,000 lbs. and over	360.00- 775.00	486.00- 1,046.25	35.0
Farm trucks under 54,000 lbs.	25.00- 62.00	37.50- 93.00	50.0
54,000 lbs. and over	150.00- 500.00	202.50- 675.00	35.0

Urban transit buses

Range -- based on passenger capacity

15.00- 60.00	22.50- 90.00	50.0
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Certain trailers

Range -- based on weight

10.00- 25.00	15.00- 37.50	50.0
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30-day temporary registration,  
nonhighway mobile homes and trailers,  
registration permits -- dealers

2.00	3.00	50.0
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Interstate operator 30-day permits,  
nonreciprocal 72-hour truck permits,  
out-of-state sales demonstration  
trucks, 72-hour permits, farm truck  
30-day intrastate permits

20.00	30.00	50.0
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Antique vehicles (initial registration)

15.00	22.50	50.0
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Special interest vehicles and  
street rods

20.00	35.00	75.0
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Sales and Compensating Use Tax. Beginning January 1, 1988, an additional 0.5 percent sales and compensating use tax is imposed. The increase is to be dedicated to the State Highway Fund, except that the Local Ad Valorem Tax Reduction Fund and the County and City Revenue Sharing Fund will receive 4.5 percent and 3.5 percent, respectively, of such revenue.

Powers of the Secretary of Transportation

Several provisions are incorporated in the bill pertaining to the authority of the Secretary of Transportation to expedite the proposed new construction initiatives. These include:

1. acquisition of certain professional services without complying with existing publication, bidding and negotiating requirements;
2. exemption of relocation assistance, with respect to the acquisition of property, from the present state debt setoff procedure;
3. exemption from statutory state purchasing requirements;
4. authorization for the Secretary to hold hearings pursuant to the Kansas Administrative Procedures Act to resolve contractor disputes;
5. authorization, in connection with the expedited highway program, for the Secretary of Transportation to adopt rules and regulations for transfer or reassignment of Kansas Department of Transportation (KDOT) employees throughout the state;
6. authorization for the Secretary of Transportation to acquire fee simple title to highway right-of-way by trade or eminent domain (a lesser degree title than fee simple now is acquired for right-of-way properties);
7. authorization for the Secretary to advance money to public utilities to assist in the expeditious relocation of their facilities;
8. authorization for the Secretary of Transportation to pay moving expenses for up to 19,999 lbs. (present limit -- 12,000 lbs.);
9. authorization for the Secretary of Transportation to determine the compensation and expenses to be paid to advisory committees or groups with respect to management, control and operation of KDOT programs; and
10. prohibition of action by the State Highway Advisory Commission on projects which are a part of the expedited highway construction program.

The authority conferred in items 1-3, 5 and 8 expires on July 1, 1997.

#### City Connecting Links

State reimbursement for city connecting links on the state highway system is increased from \$1,250 to \$1,750 per lane mile, effective in January, 1988.

Special City and County Highway Fund

The distribution formula for revenues to the Special City and County Highway Fund is changed with respect to the distribution of the county portion, by increasing from \$5,000 per quarter (\$20,000 per year) to \$10,000 per quarter (\$40,000 per year) the entitlement of each county before the remaining amount of the county entitlement is distributed to them on the basis of vehicle registrations and average daily vehicle miles traveled.

Rural and Elderly and Handicapped  
Public Transportation

The Secretary of Transportation is authorized to expend money from the State Highway Fund for rural and elderly and handicapped public transportation in an amount of not to exceed 25 percent of the federal apportionment to Kansas under sections 16(b)(2) and 18 of the Urban Mass Transportation Act of 1964.

Summary of Main Financial Features

Shown below is a summary of the estimated increased state level expenditures and revenues under the plan for FY 1988 through FY 1996.

FY 1988 through FY 1996

<u>Increased Expenditures</u>		<u>Increased Revenue</u>	
<u>Item</u>	<u>Amount (In Millions)</u>	<u>Source</u>	<u>Amount (In Millions)</u>
New construction initiatives	\$ 1,023.0	Fuel taxes	\$ 357.0
Current operations shortfall	348.0	Registration fees	350.0
"Debottleneck" projects	150.0	Sales tax	828.0
Enhanced substantial maintenance	133.0	TOTAL	<u>\$ 1,535.0</u>
City connecting links	5.0		
Rural, elderly, and handicapped transportation	3.0		
TOTAL	<u>\$ 1,662.0</u>		

Increased aid to local units resulting from tax increases for the period FY 1988-1996 totals \$193.0 million, \$121.0 from the fuel tax and \$72.0 from sales tax receipts distributed through the Local Ad Valorem Tax Reduction Fund and the County and City Revenue Sharing Fund.



## BACKGROUND

As introduced, 1987 Special Session S.B. 1 contained the Governor's recommended highway program (with the exception of the various new construction and "debottleneck" projects which are listed in 1987 Special Session S.C.R. 1601).

The main changes made by the Senate Committee were the following:

1. The new construction projects are enumerated in the bill. The Governor's proposal listed them separately in 1987 Special Session S.C.R. 1601.
2. The listing of new construction projects proposed by the Governor is reduced by elimination of US-75 from Oklahoma north to I-35; US-75 from I-35 north to Topeka; US-36 from US-75 east to Missouri; K-177 from I-70 north to the K-18 bridge at Manhattan; US-81 from I-70 north to Nebraska; US-50 from Hutchinson to Emporia; US-169 north to the southeast Kansas corridor; and US-166 from I-35 east to US-75. Also, all four-lane projects, except for the K-96 bypass, K-254 from Kechi to Eldorado, and K-96 from Hutchinson to Wichita were downscoped to super two highways. Further, the US-281 and K-96 route terminates at Hays rather than Russell. The Senate Committee on Transportation and Utilities proposal for super two highways is based on passing lanes every five miles. The Governor's proposal contained \$1.717 billion for new construction, as compared with \$1.173 billion in the Committee version (both amounts include "debottleneck projects).
3. The listing of "debottleneck" projects in 1987 Special Session S.C.R. 1601 totaling \$248 million is replaced by a direction to the Secretary of Transportation to determine which projects will be funded from a total sum of \$150 million divided equally between state-funded and locally-matched projects.
4. The sections pertaining to issuance of revenue bonds and the investment of highway funds were deleted, inasmuch as the Senate Committee on Transportation and Utilities rejected bonding and supported undertaking highway improvement projects on a pay-as-you-go basis.
5. The indexing of fuel taxes (except the indexing provision in the current law) and registration fees was eliminated.
6. The initial increase in the fuel tax on October 1, 1987 of 5 cents per gallon under the Governor's proposal was changed by the Senate Committee to 2 cents on October 1 and an additional 2 cents on the following January 1. The Governor's proposed method of sharing fuel taxes with local units was to continue providing 40.5 percent of the current rate (11 cents on gasoline), 35.0 percent of any increase of this rate due to

indexing, 5.0 percent of the additional 5 cents, and 5.0 percent of any increase in the additional 5 cents due to indexing. The Committee version provides for sharing of 36.5 percent (when the plan is fully implemented), which represents the earmarking of an additional one cent per gallon of fuel tax receipts (beginning October 1, 1987).

7. The percent of increase in registration fees for large trucks (54,000 lbs. and over) was reduced from 50 percent to 35 percent and the fee increase implementation date was moved forward by one year to January 1, 1988.
8. The State Highway Advisory Commission is retained (rather than abolished), but limited in that it has no jurisdiction over the new construction initiatives.
9. The 0.5 percent sales tax provision was added.
10. The Special City and County Highway Fund distribution formula was modified as it pertains to distribution of the county portion, as described above.

Kansas Legislative Research Department  
August 31, 1987

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PROPOSED MINUS OLD FORMULA  
(NO EQ. & ADJ. FUND)

COUNTY	Proposed Distribution	Old Formula Distribution	Net Increase
Allen	371,581	311,322	60,258
Anderson	288,118	206,343	81,775
Atchison	311,676	271,769	39,907
Barber	306,394	199,895	106,499
Barton	834,458	820,904	13,554
Bourbon	360,900	311,306	49,594
Brown	352,094	257,074	95,020
Rutler	965,722	950,435	15,287
Chase	197,695	121,400	76,295
Chautauqua	203,489	136,174	67,315
Cherokee	485,982	433,971	52,011
Cheyenne	239,097	117,637	121,460
Clark	177,295	104,761	72,534
Clay	323,650	197,631	126,019
Cloud	370,739	261,916	108,823
Coffey	326,200	229,310	96,890
Comanche	161,820	80,394	81,426
Cowley	704,505	666,258	38,247
Crawford	590,772	579,879	10,893
Decatur	260,189	137,446	122,744
Dickinson	488,346	352,603	135,744
Doniphan	226,476	187,422	39,054
Douglas	981,782	981,782	0 - 1
Edwards	212,653	134,666	77,987
Elk	195,768	107,225	88,543
Ellis	579,823	531,392	48,431
Ellsworth	284,975	180,244	104,732
Finney	609,538	609,538	0 - 2
Ford	590,830	564,942	25,888
Franklin	446,641	378,995	67,647
Geary	404,576	404,576	0 - 3
Gove	229,670	107,666	122,004
Graham	269,694	144,586	125,108
Grant	216,499	186,818	29,682
Gray	280,727	202,598	78,129
Greeley	137,222	80,801	56,421
Greenwood	393,412	279,773	113,639
Hamilton	161,569	104,823	56,747
Harper	363,619	202,718	160,900
Harvey	581,282	544,257	37,024
Haskell	200,549	161,891	38,658
Hodgeman	213,998	105,754	108,244
Jackson	357,420	252,360	105,060
Jefferson	400,023	349,532	50,491
Jewell	352,329	146,742	205,587
Johnson	4,339,414	4,339,414	0 - 4
Kearny	193,926	138,521	55,406
Kingman	436,796	274,268	162,528
Kiowa	220,835	163,830	57,005
Labette	500,419	436,972	63,447
Lane	150,904	93,099	57,805
Leavenworth	688,416	688,416	0 - 5
Lincoln	239,829	108,994	130,834
Linn	296,558	210,350	86,208

Attach. 2

PROPOSED MINUS OLD FORMULA  
(NO EQ. & ADJ. FUND)

COUNTY	Proposed Distribution	Old Formula Distribution	Net Increase
Logan	188,813	114,186	74,428
Lyon	629,043	561,871	67,171
Marion	452,591	301,688	150,903
Marshall	430,302	275,421	154,882
McPherson	636,461	523,386	113,075
Meade	236,346	161,116	75,230
Miami	514,858	485,544	29,314
Mitchell	310,553	190,140	120,413
Montgomery	713,283	713,283	0 - 6
Morris	258,766	156,668	102,098
Norton	154,962	107,958	47,004
Nemaha	361,316	214,650	146,466
Nesaho	456,645	424,888	31,757
Ness	322,713	208,315	114,398
Norton	292,374	156,463	135,911
Osage	437,647	346,370	91,277
Osporre	270,321	143,395	126,925
Ottawa	303,063	185,335	117,728
Pawnee	314,284	201,706	112,578
Phillips	319,399	178,848	140,551
Pottawatomie	435,569	340,552	95,017
Pratt	408,066	364,231	43,835
Rawlins	248,287	117,178	131,108
Reno	1,188,366	1,188,366	0 - 7
Republic	339,409	206,276	133,133
Rice	407,562	289,682	117,880
Riley	632,906	632,906	0 - 8
Rocks	341,050	228,888	112,162
Ruen	274,519	161,138	113,380
Russell	411,519	282,752	128,767
Saline	775,445	775,445	0 - 9
Scott	209,309	163,879	45,430
Sedgwick	5,703,219	5,703,219	0 - 10
Seward	372,581	372,581	0 - 11
Shawnee	2,239,279	2,239,279	0 - 12
Sheridan	263,446	117,472	145,974
Sherman	272,527	181,383	91,144
Smith	328,818	162,738	166,081
Stafford	314,861	200,794	114,068
Stanton	148,493	97,062	51,431
Stevens	226,545	165,361	61,184
Sumner	667,037	488,657	178,380
Thomas	312,851	214,993	97,858
Trego	252,324	117,761	134,562
Wabaunsee	243,584	140,886	102,698
Wallace	143,266	80,242	63,026
Washington	386,121	206,558	179,562
Wichita	171,120	101,955	69,165
Wilson	322,819	250,834	71,984
Woodson	216,096	145,540	70,556
Wyandotte	2,338,567	2,338,567	0 - 13
Total	52,318,000	43,882,000	8,436,000