

Approved 3/8/88 Date _____

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

The meeting was called to order by Sen. Bill Morris at _____
Chairperson

9:00 a.m./~~p.m.~~ on March 7, 1988 in room 254-E of the Capitol.

All members were present except:

Sen. Frey.

Committee staff present:

Hank Avila, Legislative Research Department
Ben Barrett, Legislative Research Department
Robin Hunn, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Louise Cunningham, Committee Secretary

Conferees appearing before the committee:

Sen. Mike Johnston

Sen. Fred Kerr

The Chairman said the purpose of this meeting was informational and to hear from the authors of the current highway bills.

S.B. 137 - Construction of expressways and freeways.

This bill was the work of the committee and had been passed by them and sent to the Senate floor. It had been re-referred back to this committee when the Governor's Task Force on Highways was formed. The Chairman reviewed the bill for the committee. The figures may now be obsolete but current figures could be put into the bill. The funding would come from a 5¢ per gallon fuel tax increase. The bond rate is currently a little lower than it was when the committee previously considered this bill. The current national average for gasoline tax is currently 14.7¢ per gallon and the Kansas tax is 11¢. Twenty-three states are now considering raising their tax an average of 5¢.

S.B. 633 - Highways, financing thereof.

Sen. Mike Johnston, said this bill was for highways in the southeast region of the state. It seemed to be the consensus that the southeast region was the top priority when it comes to the highways because this area has long been overlooked. It was this section of the state which first prompted the feasibility study for the highways but the program kept getting bigger and bigger and now he thought it was time to go back to the beginning. He said he did not know whether it would ever be possible to fashion a bill big enough to include everyone's projects. There was no way to pay for it. His bill for southeast Kansas would be funded by a 3¢ fuel tax increase.

Some members felt that if we were only concerned about southeast Kansas now it might be 20 years before any other construction would be considered.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,
room 254-E, Statehouse, at 9:00 a.m./~~p.m.~~^{XX} on March 7, 1988

S.B. 555 - Highways, financing thereof.

Sen. Fred Kerr, said material costs and interest rates are still relatively low and the need for a Kansas highway program is becoming more dramatic each day. He felt the legislature should adopt a manageable Kansas Highway Improvement Program during this session. His bill would be funded by removing the sales tax exemption for sales of motor fuels and a 1¢ gas tax increase in 1989, 1¢ in 1992 and 1¢ in 1994 to fund maintenance at current levels. A copy of his statement is attached. (Attachment 1).

The Research Department had prepared a comparison sheet for S.B. 137, S.B. 555, S.B. 633 and H.B. 2793. This compared the proposed routes, bonding, funding, etc. A copy of this study is attached. (Attachment 2).

The meeting was continue tomorrow when the committee would hear from KDOT. Meeting was adjourned at 10:00 a.m.

DATE: 3-7-88ROOM: 254-E

GUEST REGISTER
SENATE
TRANSPORTATION AND UTILITIES COMMITTEE

NAME	ORGANIZATION	ADDRESS
Louis Rice	Individual	Box 141, Sylvia, Ks. 67581
Dorlene Rice	"	"
Kevin Robertson	Ks Consulting Engos	Topeka
Christy Young	Topeka Chamber	Topeka
Tom Whitaker	Ks Motor Carriers Assn	Topeka
Jud. W Wainwright	Manhattan Chamber of Commerce	Manhattan
FRANK EATON	SE KS CITIES COALITION	Manhattan
John Coulter	Ks. Contractors Assoc.	Topeka
Dan Rambo	Ks. Contractors Assn.	Topeka
Ron Gilbert	United Transportation Union	Newton
BILL PERDUE	ECON. LIFE LINES	TOPEKA
JOHN C. BOTTENBERG	ECON. LIFE LINES	TOPEKA
Reed W Davis	KDOT	Topeka
Terry Heidner	KDOT	Topeka
Robert R. Jones	KDOT	Topeka
Lee Eisenhauer	KHPGA	"
Shelley Sutton	KES	Topeka
Keren Kelley	SUN	Overland Park
Ed Desjardis	KDOT	Topeka
Charles Nicolay	Ks Oil Marketers Assn.	Topeka
Walter Cole	Ramona Co	Topeka
Paul Sasse	City of Independence Ks	Independence Ks
Anthony D. Royse	City of Independence, Ks	Independence, Ks

DATE: 3-7-88

ROOM: 254-E

GUEST REGISTER
SENATE

TRANSPORTATION AND UTILITIES COMMITTEE

NAME	ORGANIZATION	ADDRESS
Lori Featherby	(Shadow) ^(Defunct Students)	11050 W Ulmer Dr
Shelley West	(Shadow)	810 Ave. B Peck KS 67120
Nathan Hunt	(Shadow)	P.R. 2 Belle Plaine 67013
Matt Green	(Shadow)	930 Foulk Dr. Belle Plaine

FRED A. KERR
 SENATOR, THIRTY-THIRD DISTRICT
 BARBER, COMANCHE, HARPER, KINGMAN, KIOWA,
 PRATT, STAFFORD, S. RENO,
 W. SUMNER COUNTIES
 ROUTE 2
 PRATT, KANSAS 67124-9802



TOPEKA

SENATE CHAMBER

TESTIMONY ON SENATE BILL 555

Senator Fred Kerr

March 7, 1988

SENATE TRANSPORTATION & UTILITIES COMMITTEE

COMMITTEE ASSIGNMENTS
 CHAIRMAN ASSESSMENT AND TAXATION
 MEMBER AGRICULTURE
 ECONOMIC DEVELOPMENT
 EDUCATION
 ENERGY AND NATURAL RESOURCES
 LEGISLATIVE AND CONGRESSIONAL
 APPOINTMENT
 ORGANIZATION CALENDAR
 AND RULES
 CHAIRMAN MAJORITY PARTY CAUCUS

Mr. Chairman, and members of the committee, thank you for this opportunity for me to provide testimony on Senate Bill 555. I think the legislature should adopt a manageable Kansas Highway Improvement Program during this legislative session. I feel that Senate Bill 555 contains such a program.

Fortunately, the window of opportunity for a meaningful highway program is still open. Material costs and interest rates are still at relatively favorable levels. The need for a Kansas highway program is becoming more dramatic with each passing day. Senate Bill 555 contains a basic program which I think can be supported in that it is essential to Kansas and the tax and fee package is manageable.

The bill singles out for specific emphasis corridors to the southeast, southwest, and northwest from Wichita, including the northeast Wichita by-pass. \$100 million is proposed for "debottlenecking". The improvements are proposed to be funded mainly by removing the sales tax exemption for the sale of motor fuels. Registration fees would also be increased. A modest amount of bonding would be allowed.

The bill proposes to keep maintenance of Kansas highways at current levels by increasing the gas tax one-cent in 1989, one-cent in 1992, and one-cent in 1994. The whole proposal would begin in 1989.

SPECIFICS

- I. CORRIDORS - All corridors would likely be at Super 2 standards except the Wichita to Hutchinson segment which is understood to be 4-lane expressway and the 4-lane northeast Wichita by-pass.

ATT. 1
 T&U
 3/7/88

Testimony on S.B. 555
March 7, 1988

- A. Southeast - This route would be Wichita to Pittsburg to a point leading to Joplin, Missouri. Included would be the northeast Wichita by-pass.
 - B. Southwest - Routes from Wichita to Liberal, and Bucklin through Dodge City and Garden City to the Colorado line are included.
 - C. Northwest - The route is Wichita to Hutchinson to Great Bend to a point on Interstate 70. The Wichita to Hutchinson segment is understood to be 4-lane expressway.
- II. DEBOTTLENECKING - \$100 million.
- III. FUNDING - The funding for the corridor and debottlenecking improvements would come from removing the sales tax exemption for sales of motor fuels effective January 1, 1989, and from vehicle registration fee increases, effective in 1989. The sales tax could be included in the pump price. Local sales taxes will also apply and will be used locally. The registration increases are the same as those in Substitute for Senate Bill 1 as it passed the Senate in the 1987 Special Session. (50% average increase for vehicles under 60,000 lbs; 35% average increase for vehicles over 60,000 lbs.)
- IV. BONDING - A modest amount of bonding would be allowed for cash flow during construction. The limit is \$200 million.
- V. MAINTENANCE - In order to allow this package to fund maintenance at current levels, the gas tax increase of one-cent in 1989, one-cent in 1992 and one-cent in 1994 is proposed.

Thanks again for providing time for a hearing on Highway Improvement Proposals. I strongly urge this committee to favorably recommend a highway package similar in scope to the one outlined in Senate Bill 555.

I will explain the attachments which follow this testimony.

Attachs.
FAK/lc

Run #1 for Senator Fred Kerr
 Requested: January 25, 1988

29-Jan-88
 08:09 AM

Total
 Program
 Cost
 Inflated
 Early Let
 (\$1,000)

Est Let Year	Route	Location Description	Category	Map ID No. Map #	Total Program Cost Inflated Early Let (\$1,000)
92	US-54 ✓	Liberal to Mullinville	2-Lane Super Two	2.1	68,611
91	US-54 ✓	Mullinville to Pratt	2-Lane Super Two	2.2	24,716
94	US-54 ✓	Pratt to Wichita	2-Lane Super Two	2.3	16,184
92	US- 281 ✓	Great Bend to Russell	2-Lane Super Two	3.7	31,457
93	US-50 ✓	State Line to Garden City	2-Lane Super Two	4.1	35,837
93	US-50 ✓	Garden City to K-154 to Mullinville	2-Lane Super Two	4.2	35,628
93	US-69 ✓	Oklahoma State Line to US-160	2-Lane Super Two (W)	9.1	23,524
93	K-96 ✓	Wichita to Hutchinson	4-Lane Expressway	10.1	87,062
94	K-96 ✓	Hutchinson to Great Bend	2-Lane Super Two	10.2	87,933
91	K-96 ✓	Wichita Bypass	4-Lane Freeway	14.0	88,322
94	K-96 ✓	Wichita to Neodesha	2-Lane Super Two	14.1	96,844
94	US-160 ✓	Neodesha to State Line (K-57)	2-Lane Super Two	14.2	72,495
93	✓	Added to Make 100,000,000	De-Bottleneck (Full)	16	100,002
Total New Initiative					768,614

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Kansas Department of Transportation

February 11, 1988

MEMORANDUM TO: DEB MILLER, DIRECTOR
Division of Planning & Development

FROM: MOKHTEE AHMAD, CHIEF
Office of Analysis & Evaluation

RE: Senate Bill 555

REVENUE PROPOSALS:

1. Secretary is empowered to issue \$200 million in bonds.
2. Increase in registration license fees of 50 percent on the average for vehicles less than 60,000 lbs. and 35 percent for vehicles 60,000 lbs. and over.
3. Motor fuel tax increase of 1 cent per gallon and 50 cents per trip permit on and after January 1, 1989; January 1, 1992; and January 1, 1994, respectively. The State Highway Fund would receive the entire first 1 cent increase on and after January 1, 1989; and the entire third 1 cent increase on and after January 1, 1994. The Special City and County Highway Fund would receive the entire second 1 cent increase on and after January 1, 1992.
4. A sales tax would be placed on motor fuel sales at the pump price and an additional fee of \$3 for trip permits. The proceeds from this tax would be deposited into the State Highway Fund.

MA:db

Fiscal Impact SB 555

State Highway Fund
(\$ Millions)

FY	Registrations	Excise Tax Motor Fuel	Sales Tax Motor Fuel	Total
1989	\$26.7	\$5.9	\$22.6	\$55.2
1990	44.8	14.2	56.9	115.9
1991	45.6	14.2	56.6	116.4
1992	46.4	14.1	59.1	119.6
1993	47.2	14.0	58.8	120.0
1994	48.0	19.7	61.3	129.0
1995	48.8	27.6	60.7	137.1
1996	49.6	27.7	60.9	138.2
1997	50.2	27.7	60.9	138.8
Total	\$407.2	\$165.1	\$497.8	\$1,070.1

Special City & County Highway Fund
(\$ Millions)

FY	Registrations	Excise Tax Motor Fuel	Sales Tax Motor Fuel	Total
1989	\$0.0	\$0.0	\$0.0	\$0.0
1990	0.0	0.0	0.0	0.0
1991	0.0	0.0	0.0	0.0
1992	0.0	5.8	0.0	5.8
1993	0.0	13.9	0.0	13.9
1994	0.0	13.9	0.0	13.9
1995	0.0	13.7	0.0	13.7
1996	0.0	13.8	0.0	13.8
1997	0.0	13.8	0.0	13.8
Total	\$0.0	\$74.9	\$0.0	\$74.9

Office of Analysis & Evaluation
February 11, 1988

02-Jun-87

PROPOSED PROJECTS
FULL STATE PARTICIPATION

Prior. City/County	Location	Improvement Description	Reason	Estimated Cost (\$1,000)	Cumulative Cost (\$1,000)
1. Topeka	I-70/I-470/Wanamaker	Improve Interchanges	Safety Economic Development Congestion	17,690	17,690
2. Manhattan	K-18 River Bridge	New 4-lane bridge	Congestion Safety	10,475	28,165
3. Gardner	I-35/US-56	Reconst. Interchange	Congestion Safety Economic Development	2,379	30,544
4. Topeka	I-70/E. KTA I.C.	Reconst. Interchange	Congestion Safety	4,026	34,630
5. El Dorado	K-196/K-254	Channelization	Safety	663	35,313
6. Wichita	K-254/Oliver	Widen Br. to 4-lane	Safety	6,807	42,120
7. Newton	I-135/US-50	Interchange Ramps	Congestion Safety	6,807	48,927
8. Shawnee Co.	US-75/Old US-75	Upgrade Interchange	Safety	6,124	55,051
9. Wichita	I-135/I-235/K-254	Ramp Improvements	Safety	6,807	61,858
10. Olathe	I-35/US-169 S. Jct.	Reconst. Ramps	Congestion Safety	2,033	63,891
11. Cloud Co.	US-81/US-24	New Interchange	Safety	3,745	67,641
12. McPherson	I-135/K-61	Add Ramps	Safety	2,721	70,362
13. Sedgwick Co.	I-135/85th St.	Add Decel. & Accel. Lanes	Congestion Safety	663	71,045
14. Peabody	US-50/RR Underpass	Construct Overpass	Safety	4,066	75,131
15. Sheridan Co.	US-83/K-383	Realign Intersection	Safety	1,765	76,496

Note: Costs inflated 36%

PROPOSED PROJECTS
STATE AND LOCAL PARTICIPATION

Prior.	City	Location	Improvement Descript.	Reason	Total Estimated Cost (\$1,000)	75% Cost (\$1,000)	Cumulative Cost (\$1,000)
1.	Lawrence	SW Bypass	New Expressway	Economic Development Congestion	27,208	20,406	20,406
2.	Olathe	I-35/127th	New Interchange	Economic Development Congestion	8,845	6,634	27,040
3.	Lenexa	I-35/Quivira	4-lane Viaduct	Economic Development Congestion	13,063	9,797	36,337
4.	Topeka	Oakland Expressway	New Freeway	Economic Development Congestion	34,014	25,511	62,348
5.	Wichita	US-54/Sycamore to Topeka	Freeway	Economic Development Congestion	39,440	29,580	91,928
6.	Lenexa	I-35/111th St.	4-lane Viaduct	Economic Development Congestion	7,479	5,609	97,537
7.	Olathe	Old US-56/K-7 W. Jct.	Reconst. Interch.	Congestion Safety	4,493	3,370	100,907
8.	Overland Park	I-435/Nall	Add Interchange	Congestion Economic Development	7,479	5,609	106,516
9.	Overland Park	I-435/Antioch	Add Interchange	Congestion Economic Development	8,162	6,122	112,538
10.	Manhattan	K-113; K-18 to Kimball	New Expressway	Congestion Safety	8,162	6,122	118,760
11.	Dodge City	S.E. Bypass	New Super-2	Congestion Economic Development	11,565	8,674	127,434
12.	Liberal	US-83 Bypass	New Super-2	Congestion Economic Development	12,248	9,186	136,620
13.	Topeka	US-75 S. Bypass	New Freeway	Economic Development	46,252	34,689	171,309
Total					----- \$228,410		

Note: Costs inflated 36%

HIGHWAY BILLS

S.B. 137
Committee on Transportation
and Utilities
(As Amended by Senate Committee
on Transportation and Utilities)

S.B. 555
(Senator F. Kerr)

S.B. 633
(Senators Johnston, Gaines,
Thiessen and Warren)

H.B. 2793
(Rep. Brady, et al.)

I. Proposed Routes

1. From the Kansas turnpike at Wichita, proceeding east and southeast to the Kansas-Oklahoma border or the Kansas-Missouri border, to the most feasible connection with I-44 in the vicinity of Joplin, Missouri.
2. From the Kansas Turnpike at Wichita, proceeding west to Bucklin then west to the Kansas-Colorado border; also from Bucklin southwest to the Kansas-Oklahoma border.
3. From the Kansas Turnpike at Wichita, proceeding northwest to Hutchinson, to Great Bend, and then diagonally to the vicinity of Hays.
4. From the Kansas Turnpike at Wichita, west along the route of the Wichita northeast expressway.
5. At I-70 and I-470 on the west edge of Topeka, including the interchanges and service to the Kansas Museum of History.
6. From Arkansas City east to K-99 south of Sedan.

1. (Same as S.B. 137, as amended.)
2. (Same as S.B. 137, as amended.)
3. U.S. 54 at Wichita, northwest to I-35 (northeast Wichita bypass) northwest to Hutchinson, to Great Bend, and then to I-70.

Effective January 1, 1989, the Secretary of Transportation is authorized to expend new revenues for highway improvements in the southeast Kansas region. The Secretary would determine the economic needs and economic impact of such highway improvements prior to the expenditure of revenues. The Secretary would consult with individuals, businesses, and organizations in this regard.

Effective January 1, 1989, the Secretary of Transportation is authorized to expend up to \$250 million for highway projects in southeast Kansas and up to \$300 million for highway projects for the remainder of the state.

"Southeast Kansas" means an area bounded by the Kansas-Oklahoma border on the south; the Kansas-Missouri border on the east; U.S. 54 on the north; and I-35 from Wichita to the Kansas-Oklahoma border on the west.

Not less than \$550 million must be expended from between January 1, 1989 and June 30, 1997 for highway projects as described above.

ATT. 2
T&U
3/7/88

S.B. 137, As Amended

S.B. 555

S.B. 633

H.B. 2793

7. From Sycamore south to Independence.

8. From the intersection of K-37 and U.S. 169, south to the Coffeyville vicinity on U.S. 166.

II. "Spot" Projects

No provision

Up to \$100 million for safety improvements, debottlenecks, and economic development.

No provision

No provision

III. Program Management

Routes (super-two highways and expressways) would be constructed on a first and most important basis within a five year period. These projects would be directed by an independent management team comprised of the Secretary of Transportation, the Chairman of the House Committee on Transportation, the Chairman of the Senate Committee on Transportation and Utilities, and two persons appointed by the Governor.

Secretary of Transportation

Secretary of Transportation

Secretary of Transportation

IV. Bonding

Beginning July 1, 1987, the Secretary is authorized to issue at public sale highway bonds in an aggregate principal amount of up to \$810 million for highway projects and related expenses. Bonds issued under this authority must mature in not more than 30 years.

The Secretary is authorized to issue highway bonds at public or private sale in an aggregate principal amount of up to \$200 million for highway projects and related expenses. Maturity of such bonds will be determined by the Secretary.

The Secretary is authorized to issue highway bonds at public or private sale in an aggregate principal amount of up to \$200 million. Bonds issued must mature in not more than 20 years.

The Secretary is authorized to issue bonds at public or private sale up to a \$36 million aggregate limit. Maturity of the bonds will be determined by the Secretary.

S.B. 137, As Amended

S.B. 555

S.B. 633

H.B. 2793

V. Revenue Enhancements

A. Motor Fuel Taxes

Effective July 1, 1987, fuel taxes would be increased by 5 cents per gallon. Motor carrier trip permits would be increased from \$6.50 to \$9.00

Of the 5 cent increase, 4 cents would go to the Economic Development Freeway Fund and 1 cent would go to the Special City and County Highway Fund.

Beginning July 1, 1988, fuel taxes would be indexed to the CPI-U.

Of any such increases, 24.7 percent would go to the Economic Development Freeway Fund and the remainder would be divided 65 percent to the State Freeway Fund and 35 percent to the Special City and County Highway Fund.

B. Sales and Use Taxes

No provision.

On January 1, 1989, fuel taxes would be increased by 1 cent per gallon, followed by another 1 cent per gallon on January 1, 1992, and another 1 cent per gallon on January 1, 1994. Motor carrier trip permits would be increased accordingly.

The 1 cent increase in 1989 would go to the State Highway Fund; the 1 cent increase in 1992 would go to the Special City and County Highway Fund and the 1 cent increase in 1994 would go to the State Highway Fund.

There is no change in the indexation of rates.

The sales and use tax exemption for motor fuels would be eliminated as of January 1, 1989, thus subjecting such purchases to the 4 percent state sales tax and to any sales taxes imposed by local units of government. Additional trip permits are required for which the fee would be \$3.00. (The use tax would be administered in conjunction with the Interstate Motor Fuel Users Tax.)

Effective July 1, 1988, fuel taxes would be increased by 3 cents per gallon. Motor carrier trip permits would be increased accordingly.

Of the increase, 2 cents would go to the State Highway Fund and 1 cent would go to the Special City and County Highway Fund.

There is no change in the indexation of rates.

No provision.

Effective July 1, 1988, fuel taxes would be increased by 3 cents per gallon. Interstate carrier trip permits are increased accordingly.

Of the increase, 2 cents would go to the State Highway Fund and 1 cent would go to the Special City and County Highway Fund.

There is no change in the indexation of rates.

No provision.

S.B. 137, As Amended

S.B. 555

S.B. 633

H.B. 2793

C. Registration Fees

No provision.

Effective January 1, 1989, annual registration fees would be increased generally as follows: passenger vehicles under 3,000 pounds by 100 percent, and for those 3,000 pounds and over, by varying amounts ranging to 50 percent for the heaviest passenger vehicles. Registration fees for trucks under 54,000 pounds would increase by 50 percent and those 54,000 pounds and over would increase by 35 percent; registration for urban buses would increase by 50 percent; registration fees for various trailers would increase by 50 percent, as would the registration fees for most other vehicles required to be registered.

There is no indexation of registration fees.

No provision.

Effective January 1, 1989, vehicle registration fees (cars and trucks) would be increased by 25 percent.

There is no indexation of registration fees.

D. State General Fund

No provision.

No provision.

No provision.

In each fiscal year beginning in FY 1988 through FY 1997, \$30 million would be transferred to the State Highway Fund.

E. State Gaming Revenues

No provision.

No provision.

No provision.

In each fiscal year beginning in FY 1988 through FY 1997, \$10 million would be transferred from the State Gaming Revenues Fund to the State Highway Fund.