

Approved August 4, 1989  
Date

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at  
Chairperson

1:30 ~~am~~ p.m. on February 15, 1989 in room 519-S of the Capitol.

All members were present except: Representative Blumenthal and Gross

Committee staff present:

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

Conferees appearing before the committee:

Representative Dave Heinemann  
Mr. Larry Blomenkamp, Chief of Police, Emporia  
Mr. Mike Beam, Kansas Livestock Association  
Mrs. Mary Turkington, Kansas Motor Carriers Association  
Mr. Jack Ransom, Economic Lifelines  
Ms. Judy Runnels, Economic Lifelines  
Mr. Pat Hurley, Kansas Good Roads Assn. and Economic Lifelines  
Ms. Carolyn Schmitt, Kansas National Education Association  
Mr. Paul Fleener, Kansas Farm Bureau  
Mr. Stan Scudder, Kansas Contractors Association  
Mr. George Barbee, Kansas Consulting Engineers and Travel Industry Assn.  
Mr. John Torbert, Kansas Association of Counties  
Mr. Tim Witsman, Wichita, Kansas Chamber of Commerce  
Mr. Ed Bruske, Kansas Chamber of Commerce and Industry  
Mr. Leroy Lyon, Mid-Kansas Economic Development Commission  
Mr. Doug Luciane, Heavy Constructors of Kansas City  
Mr. Ed Moses, Kansas Aggregate Producers  
Mr. Frank Eaton, Southeast Kansas Cities Coalition  
Mr. Howard Lumas, Peoples Bank, Pratt, Kansas  
Mr. Jim Damon, Columbus, Kansas

The meeting was called to order by Chairman Crowell and the first order of business was a hearing on HB-2159 concerning securing loads; deleting exemption for livestock haulers.

Representative David Heinemann co-sponsor of the bill, briefed the Committee on its contents.

Mr. Larry Blomenkamp, Chief of Police, Emporia, Kansas, testified in support of HB-2159. (See Attachment 1)

Mr. Mike Beam, Kansas Livestock Association, testified in opposition to HB-2159. (See Attachment 2)

Mrs. Mary Turkington, Kansas Motor Carriers Association, testified in opposition to HB-2159. (See Attachment 3)

Chairman Crowell appointed a subcommittee to further study HB-2159, consisting of Representative Roenbaugh, Chairman, and Representatives Guldner and Lacey.

The hearing on HB-2159 was concluded.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,  
room 519-S Statehouse, at 1:30 ~~a.m.~~/p.m. on February 15, 1989.

The next business was a presentation by the Economic Lifelines group concerning HB-2014.

Mr. Jack Ransom, Economic Lifelines spoke to the Committee, supporting HB-2014 and a proposal to be presented by Mr. Pat Hurley.

Ms. Judy Runnels, Economic Lifelines, testified in support of HB-2014 and a proposal to be presented by Mr. Pat Hurley.

Mr. Pat Hurley, on behalf of Kansas Good Roads Association and Economic Lifelines, outlined a proposal to provide funds for both highways and education. (See Attachments 4 and 5)

Ms. Carolyn Schmitt, Kansas National Education Association, spoke in support of the Economic Lifelines proposal presented by Mr. Pat Hurley regarding HB-2014.

Mrs. Mary Turkington, Kansas Motor Carriers Association, testified in support of the Economic Lifelines proposal presented by Mr. Pat Hurley regarding HB-2014.

Mr. Paul Fleener, Kansas Farm Bureau, testified in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

Mr. Stan Scudder, Kansas Contractors Association, testified in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

Mr. George Barbee, Kansas Consulting Engineers, and the Travel Industry Association, testified in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

Mr. John Torbert, Kansas Association of Counties, testified in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

Mr. Tim Witsman, Wichita, Kansas Chamber of Commerce, testified in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

Mr. Ed Bruske, Kansas Chamber of Commerce and Industry, spoke in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

Mr. Leroy Lyon, Mid-Kansas Economic Development Commission, testified in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,  
room 519-S Statehouse, at 1:30 ~~xx~~ p.m. on February 15, 19 89


Mr. Doug Luciane, Heavy Constructors of Kansas City, testified in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

Mr. Ed Moses, Kansas Aggregate Producers, testified in support of HB-2014 and the Economic Lifeline proposal presented by Mr. Pat Hurley.

Mr. Frank Eaton, Southeast Kansas Cities Coalition, spoke in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

Mr. Howard Lumas, Peoples Bank, Pratt, Kansas, testified in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

Mr. Jim Damon, Columbus, Kansas, testified in support of HB-2014 and the Economic Lifelines proposal presented by Mr. Pat Hurley.

  
Rex Crowell, Chairman

PLEASE PRINT

NAME	ADDRESS	COMPANY/ORGANIZATION
HARVEY LEAVER	LEAVENWORTH, KS	DIRECTOR - PUBLIC WORKS LEAVENWORTH CO
James A. Hague	Courthouse, Abilene, KS	Dickinson Co. Hwy. Dept.
Don Tasperson	Box 69 - Marion, KS	Marion Co Hwy. Dept.
FRANK EATON	Manhattan	SEKS CITIES
DONALD KAUFMANN	Clyde, KS	SHL Rep. Cloud County
Tom RIBBERGA	LOVENWORTH, KS	LEAV. AREA. DEVELOPMENT
Roger W BARR	TOPEKA, KS	T. C. U.
Charles L. Stuart	Topeka	U.S.A.
Alvin Mettler	Pratt	B. W. E.
Shelley Sutton	Topeka	KES
John Torbert	"	KAC
Rick Kready	"	KPL Gas Service
Tommy Mumpke	Topeka	KMHA
CHARLES STEVENS JR	SACINA KANSAS	STEVENS CONTR INC
ED DE SOIGNIE	TOPEKA	KS. CONTRACTORS ASSOC.
Stan Scadder	Newton	" " "
Mike Davis	Newton	" " "
Jim Keele	Paola	B. L. K.
Deborah Keele	Paola	G. I. A.
PAT BARNES	TOPEKA	Ks. Motor Car Dealers Assn
GLEN L. HEISER	WABAUNSEE CITY	COMMISSIONER
SCOTT D. ALEXANDER	LAWRENCE,	MARTIN MARIETTA
Warren Jenkins	Topeka	Matth. Marrett
Ed Moses	Wichita, KS	Ks Aggregate Producers
Marge Turkington	Topeka	Ks Motor Carriers Assn
Tom Whitaker	Topeka	Ks Motor Carriers Assn



Members of Transportation Committee  
Kansas House of Representatives  
House Bill 2159

Testimony of Larry Blomenkamp, Chief of Police  
Emporia Police Department  
P.O. Box 928  
Emporia, Kansas 66801  
(316) 342-1766

I appear before you today to speak in support of House Bill 2159 and, being aware that your time is limited, I will endeavor to keep my presentation brief and relevant to the issue under consideration.

Emporia serves as an important hub for many businesses and industries. The community considers two (2) of our most important industries to be agriculture and trucking.

Some may contend that the legislation I am supporting runs counter to two (2) of the industries Emporia has attempted to foster. However, I can assure you that is not the case. Emporia is home to thirteen (13) trucking companies, two (2) meat packing plants, several grain companies and a livestock sales pavillion. We have managed to solve problems relating to these industries through negotiation, voluntary compliance, and, when necessary, enforcement. When K.S.A. 8-1906 was amended to allow an exemption for trucks hauling livestock, we began experiencing problems at the intersection of Highway 50 and Prairie Street. The problems I am referring to involve the dumping of raw animal waste into the intersection by trucks which are exiting a meat packing plant located adjacent to this intersection. The raw sewage quickly converts a dry concrete four (4)-lane roadway into a road surface which can be as treacherous as driving on ice when attempting to turn or stop suddenly. The intersection in question carries a large volume of traffic. According to a 1985 traffic count conducted by the Kansas Department of Transportation, 24,865 vehicles passed through the intersection on Highway 50 in a twenty-four (24)-hour period of time.

With the assistance of the meat packing plant, we have attempted to obtain voluntary compliance. I have attached copies of correspondence which document our efforts. However, the problem continues to persist, as demonstrated by a typical citizen's complaint which I have also attached to this testimony. The complaint reflects the frustration felt by residents of our community concerning the city's inability to find a solution to this problem.

The amendment proposed in HB 2159 would impact a very small percentage of the livestock haulers and would only affect those who have chosen to take advantage of the exemption which exists in K.S.A. 8-1906. The small minority I refer to are those individuals who, through negligence or design, deposit animal waste products upon the roadways, thus creating a danger to the motoring public and a health hazard and unsightly nuisance for the general public.

Attachments



November 28, 1988

Ms. Evora Wheeler  
Mayor City of Emporia  
522 Mechanic St.,  
Emporia, Kansas 66801

Dear Mayor Wheeler:

I would like to take this opportunity to address the problem of the waste spillage from the cattle trucks on the streets of Emporia, and to explain our position on this matter.

The trucks which do this do not belong to IBP, although they haul cattle to the plant. We at the Emporia facility do not condone this practice and have several times taken steps in an attempt to alleviate this problem.

As you will note, I have taken measures once again to take care of this problem by issuing the enclosed notice to all trucks bringing cattle to our plant.

I am quite certain it is only a small percentage of the trucks which are causing the problem. The larger trucking firms which service the plant are very professional and concerned and do try to keep our streets clean.

We at the Emporia facility go to a lot of time and expense in order to keep our plant looking nice so that the people of Emporia look upon it as an asset rather than hindrance to the community.

You can be assured that I will do everything I can to correct this problem. If I can be of any further assistance, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Mark Ryan', written over a horizontal line.

Mark Ryan  
Slaughter Manager  
IBP, Inc.  
Emporia, Kansas

MR:dr



MEMO

IBP, inc.

TO: ALL CATTLE TRUCK OWNERS & OPERATORS

DATE: NOVEMBER 28, 1988

FROM: MARK RYAN---SLAUGHTER PLANT MANAGER  
EMPORIA, KANSAS.

SUBJECT: \_\_\_\_\_

Repeatedly in the past we have received numerous complaints at the plant concerning the spilling of waste on the city streets, particularly the intersection of Sixth Avenue and Prairie Street, by the livestock hauling trucks.

The City of Emporia is prepared to issue summons to offending individuals as you will note from the excerpt from the Emporia Gazette.

We at IBP have always strived to be good neighbors and citizens of the City of Emporia, and we feel it is our duty to call this problem to your attention and ask you for your cooperation in eleviating this unnecessary problem.

Continued hauling contracts and business with IBP will be evaluated in the future, using compliance with this request as an important factor.

Thank you for your cooperation in this matter.

Mayor Wheeler told the group she would like to see the Legislature amend the Standard Traffic Ordinance to allow cities to prohibit the spilling of waste on city streets from trucks carrying livestock. The discussion centered on accidents at the intersection of Prairie Street and Sixth Avenue, caused by spills from trucks entering and leaving IBP.



# CITY OF EMPORIA, KANSAS

## MEMORANDUM

TO: Steve Commons  
FROM: Linda Edwards

DATE: August 3, 1988  
SUBJECT: Citizen Complaint

Joseph Lewis, 343-7718, was in the office today at 12:15 p.m. to report a problem he encountered today near IBP. He advised us that he lost control of his motorcycle and fell to the pavement when he hit some cow manure that had dropped off a cattle truck that went to the IBP plant. He was very upset. Wants the City to talk to IBP and set fines for littering the streets. He stated it is a health and safety hazard having that on our city streets.

He wants to be notified as to what action will be taken.

*Helbert, Bell & Smith, Chartered*  
*Attorneys at Law*

*Emporia Office*

MICHAEL C. HELBERT  
DALE W. BELL

DIANE F. BARGER  
519 COMMERCIAL  
P.O. BOX 921  
EMPORIA, KS 66801-0921  
316-343-6500

*Burlington Office*

STEPHEN J. SMITH  
511 NEOSHO  
BURLINGTON, KS 66839  
316-364-8825

September 8, 1988

Mr. Steve Commons  
Emporia City Manager  
522 Mechanic  
Emporia, KS 66801

RE: Spilling load on highway prohibitions

Dear Mr. Commons:

Pursuant to your request, I have reviewed the statutory and local provisions relating to the prohibition on spilling loads on the highway to ascertain whether such provisions are charterable by the City. After a review of the various provisions, it is my opinion that such provisions are not charterable.

The state provisions on this topic are found at K.S.A. 8-1906, which is a part of the Uniform Act Regulating Traffic; size, weight and load of vehicles. An identical provision is found locally at Section 179 of the Standard Traffic Ordinance as adopted by the City of Emporia.

In reviewing K.S.A. 8-1906 and the other provisions of the uniform Act Regulating Traffic commencing at 8-1901, et seq., the Act appears to be uniformly applicable to all cities. Under the Kansas Home Rule provision of Section 5, Article XII of the Kansas Constitution, enactments applicable uniformly to all cities control, and cities are bound by them, and governing bodies cannot pass ordinary ordinances conflicting with them nor charter ordinances to exempt the cities from them.

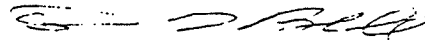
It would appear that due to the uniform nature of the State provision, a charter ordinance is not effective. The City could still adopt an ordinary ordinance, as long as the ordinance does not conflict with the State Statute. One of the tests, however, to determine whether or not an ordinance conflicts, is that the city may not attempt to authorize that which the legislature has forbidden, or forbid that which the legislature has expressly authorized. It appears that although the language of K.S.A. 8-1906 and Section 179 of the Standard Traffic Ordinance is confusing, the legislature expressly allows semi-trailers, when hauling livestock, to be exempted from the spilling load on highway provisions, if they are equipped with a cleanout trap and if such trap is operated in a closed position and they do not intentionally spill when the trap is in the closed position.

Mr. Steve Commons  
September 8, 1988  
Page Two

Consequently, it would be my opinion that an attempt to prohibit this by city ordinance would conflict with the state statute.

At this juncture I see no viable alternative to existence under the State Statute. If, in reviewing this opinion, you have any questions or comments or would like to discuss this matter further, I would certainly be glad to meet and discuss it with you at your convenience. By copy of this letter I am also apprising Chief of Police Larry Blomenkamp of the results of my investigation.

Very truly yours,



Dale W. Bell

mcb  
cc: Chief Larry Blomenkamp

*Helbert, Bell & Smith, Chartered*  
*Attorneys at Law*

*Emporia Office*

MICHAEL C. HELBERT  
DALE W. BELL

DIANE F. BARGER  
519 COMMERCIAL  
P.O. BOX 921  
EMPORIA, KS 66801-0921  
316-343-6500

Mr. Steve Commons  
Emporia City Manager  
522 Mechanic  
Emporia, KS 66801

September 14, 1988

*Burlington Office*

STEPHEN J. SMITH  
511 NEOSHO  
BURLINGTON, KS 66839  
316-364-8825

RE: Spilling Load on Highway Prohibition Opinion

Dear Mr. Commons:

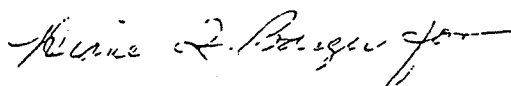
I received your memo dated September 9, 1988 inquiring as to some further possibilities with respect to the state statute on the spilling load on highway prohibition. Basically, the points you raise concern whether or not the City could pursue some type of health and safety regulation, perhaps particular to the specific intersection.

The City would normally have police powers which would allow it to act in this type of a situation. However, as I pointed out in my opinion of September 8th, the fact that the state legislature has acted in a uniform manner acts to prohibit any local regulations which would conflict with the statute, whether they be based on police power or the City's home rule power. Due to the way the courts define a conflict, to attempt to make some regulation prohibiting on this topic, even for the particular intersection, would be extremely difficult and most likely ineffectual. One area which might be explored in this regard would be changing the truck route designation; however, I believe this would be extremely difficult as it encompasses a state highway and due to the necessity of use for the hauling of livestock to the I.B.P. facility.

At this time I am afraid that I continue to be at a loss as to any type of regulation that we could adopt which would be effective for this intersection and which would not conflict with state statute. Perhaps our only recourse might be to seek a legislative solution. I will continue to attempt to come up with some type of solution to this problem from a local regulation standpoint. However, as I indicated, I am afraid that the way the legislature has drafted the provision, they have boxed us in considerably.

If you should have any questions or comments concerning the above and foregoing, or otherwise on this matter, please feel free to contact me at your convenience.

Very truly yours,



Dale W. Bell

mcb



2044 Fillmore • Topeka, Kansas 66604 • Telephone: 913/232-9358

Owens and Publishes The Kansas STOCKMAN magazine and KLA News & Market Report newsletter.

February 15, 1989

TO: House Transportation Committee  
FROM: Mike Beam, Executive Secretary, Cow-Calf/Stocker Division  
RE: HB 2159, Livestock Trailer Cleanout Trap

The Kansas Livestock Association (KLA) is a trade organization made up of 10,000 members located in all of the 105 counties. KLA, founded in 1894, has members who are actively involved in numerous aspects of livestock production that include cow-calf/stocker producers, feeders, sheep producers, swine operators, and general farming and ranching enterprises.

Mr. Chairman and committee members, I'm Mike Beam with the Kansas Livestock Association. We have a concern with HB 2159 and would like to say a few words in opposition to the proposal.

In 1984, the Kansas legislature passed HB 3032 to address a problem that livestock haulers were facing. At that time, the laws, as written on lines 21-24, prohibited any trailer from leaking while traveling on our public roads. I believe the legislature wisely concurred that it is practically impossible to transport livestock without at least a trace of material spilling out. Several trucking firms were receiving traffic violations because the law could be literally construed so a trucker could be in violation for an incident that is really beyond his/her control. The answer was a new provision, which is the language contained in lines 26-32. This bill passed the House 115-8 and Senate 39-0.

Sponsors of the bill indicate there is indeed a problem and concern with spillage that may occur at a busy intersection or clover leaf. We believe and hope a solution to this problem can be worked out without repealing part of our statutes. In fact, this provision provides an additional safety mechanism because it is explicitly illegal to travel on the highway with the cleanout trap open.

I'm sure this committee is aware of the magnitude and importance of the state's red meat industry. In 1987, Kansas was second in total red meat production. Last year, Kansas producers generated seven and one half billion pounds of beef, pork, and lamb. In addition, we are the number one state in beef cattle slaughter and processing. Kansas packing plants processed 6.3 million cattle.

Our packing plants have capacity for about 25,000 cattle each day. This means the trucking industry transports over 650 loads every day to plants in Emporia, Garden City, Dodge City, and Liberal. These statistics don't include the thousands of stocker cattle, swine, and sheep that are hauled daily in this state.

Mr. Chairman, we don't necessarily like it, but there are going to be some leaks or spillage occur. We hope something can be done without passing HB 2159 so these incidents are minimized to provide a safe transportation system.

STATEMENT

By The

KANSAS MOTOR CARRIERS ASSOCIATION

-----  
In opposition to House Bill  
2159.

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Presented to the House Transportation  
Committee, Rep. Rex Crowell, Chairman;  
Statehouse, Topeka, Wednesday, February  
15, 1989.  
-----

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Mary E. Turkington, Executive Director of the Kansas Motor Carriers Association with offices in Topeka. Tom Whitaker, our Governmental Relations Director and I, appear here on behalf of our members and the highway transportation industry in opposition to House Bill 2159.

The problem of spilled cattle waste was addressed by the Kansas Legislature in 1984. Our industry strongly supported the requirement that trailers hauling livestock be equipped properly with cleanout traps and further that such traps be operated in a closed position when livestock was on board. We also strongly supported the provision that required such livestock trailers to be cleaned out periodically.

We explained to the Legislature that it is incumbent upon the livestock carrier to observe a periodic cleaning schedule of his equipment to (1) avoid any problems with additional weight and (2) to safeguard his equipment from the damage such acids collectively cause.

The livestock industry is important to the economy of Kansas and like all businesses in our state, cannot stand artificial costs which make shippers and consumers eventually pay the price.

We sincerely believe that carriers, equipment manufacturers and shippers -- all are working diligently to reduce the problem of cattle waste.

Cattle trailers are equipped with the cleanout traps. Companies have adopted company policy directing their drivers to exercise every precaution in operating such livestock equipment.

Major shippers, including the IBP plants at both Emporia and Garden City, have initiated efforts to control such cattle waste.

It is our understanding that the Emporia IBP plant manager has held extensive discussions with the mayor of Emporia about the spilling of cattle waste on Emporia street locations. Further, IBP has written carriers who transport cattle into the Emporia plant about this problem and even has installed security camera equipment to identify those units operating trailers without the traps in a closed position.

IBP estimates that since the letter and the camera equipment were initiated, the problem has been reduced by some 50%. The company will continue to work with the carriers and the community to eliminate this problem.



The company obviously needs the language currently in the statute, to continue to address this problem. House Bill 2159 would eliminate any remedy available to the carriers, to the shippers -- and to the communities to improve this situation. We do not believe the authors of the bill intended to create such a result.

Our industry is as concerned with the careless operation of livestock trailers as is anyone. We do not want such problems to go unchecked -- in any community.

We ask your understanding of the efforts which our equipment manufacturers, our carriers and our shippers are making to address the problem of spilled cattle waste. We need the statute to remain as it presently is on the books.

We respectfully ask that you not recommend House Bill 2159 for passage -- in fact we sincerely believe you should kill the bill.

#####

February 15, 1989

PRESENTATION  
TO HOUSE TRANSPORTATION COMMITTEE  
ON  
ECONOMIC LIFELINES PROPOSAL

By Patrick Hurley  
Pete McGill & Associates  
on behalf of Kansas Good Roads Association  
and Economic Lifelines

*Att. 4*

## OUTLINE OF ECONOMIC LIFELINES PROPOSAL

### I. STANDARDS:

- A. Need - 1/5 of most pressing needs
- B. Funding Components - interim and governmental committee
- C. Public Support - public, highway users, Economic Lifelines members

### II. ELEMENTS:

- A. Scope - same as interim - 1/5 of highways
  - 1. Interim - \$3.2 billion to State Highway Fund
  - 2. Economic Lifelines - \$3.3 to \$3.5 billion depending on bond term
- B. Term of Projects - same as interim - 11 years
- C. Motor Fuel Tax
  - 1. Same 7¢ as interim
  - 2. Accelerated 89-4¢, 90-1¢, 91-1¢, 92-1¢
  - 3. Raises \$1,063 billion (\$30 million more than interim)
  - 4. 65% or \$691 million into State Highway Fund
- D. Registration Fees - same as interim
  - 1. Passenger - 52%
  - 2. Freight - 30%
  - 3. Total revenue - \$318 million into State Highway Fund
- E. Sales Tax Transfer
  - 1. 9.19% for first year (sales tax on new and used vehicles)
  - 2. 12% each of other 10 years (sales tax also on parts and services - auto dealers)

3. Total revenue - \$500 million into State Highway Fund (\$171 more than interim)

F. Sales Tax Increase

1. 1/2¢ increase - save as interim - \$1,384 billion
2. 1/4¢ to State Highway fund - \$692 million
3. 1/4¢ to school finance enhancement (\$62.9 million per year)

G. City/County Fund

1. 35% of 7¢ increase in motor fuel tax in city/county fund - \$372 million
2. 40.5% of current 11¢ motor fuel tax continues to city/county fund
3. Same as current statutory formula under indexing

H. Bond Financing

1. Interim recommendation - \$700 million <sup>1/2 mix</sup> bonds - 15 years delayed issuance
2. Economic Lifelines recommendations early issuance for 20 or 25 years
3. Economic Lifelines - 20 year bonds - \$1.325 billion to complete program
4. Economic Lifelines - 25 year bonds - \$1,130 billion to complete program

F. Summary of Revenues under Economic Lifelines Proposal

1. Total revenue to State Highway Fund without bonding - \$2.201 billion
2. Total revenue to State Highway Fund with bonds 20 years \$3,526 billion (\$1,325)
3. Total revenue to State Highway Fund with bonds 25 years \$3,331 billion (1,130 billion)

4. Total Revenue to Local Taxing Units

City/County - \$372 million  
U.S.D.'s 692 million  
\$1,064 billion

5. Total State Highway Revenue

Motor Fuel Tax	\$ 691 million	
Registration	318 million	
Sales Tax Transfer	500 million	
1/4¢ Sales Tax	<u>692</u> million	
	\$2,201 billion	2,201 billion
Bond (20)	<u>1,325</u> (37.5%)	Bond 25 <u>1,130</u> (33.9%)
	\$3,526 billion	3,331 billion

III. LEGISLATIVE ISSUES which Economic Lifelines Proposal Addresses

A. Highway Program

1. With it sufficient to address most critical (1/5 State Highway needs long term
2. Without this solution - ONLY minimal program with need to readdress in near future.

B. School Finance Enhancement

1. With it provides school aid at level (\$100 million +) requested by State Board of Education, Kansas Association of School Boards, and Kansas National Education Association to offset reappraisal (62.9 million additional)
2. Without it legislature continues to seek more of surpluses or some of income tax windfall for school aid enhancement.

C. Reappraisal

1. Without it - creates mechanism of ongoing revenue fund for legislature to use in future years to offset reappraisal on Unified School Districts.

2. Without it - next few years Governor and legislature again will have to look to surpluses (then substantially reduced) or tax increase by 1990 - 1991.

#### IV. SUMMARY OF BENEFITS from Economic Lifelines Proposal

1. Addresses critical highway needs on long term basis
2. Utilizes reasonable blend of funding sources - without placing undue burden on any one sector
3. Generates broadest base of public support of any highway program in recent history.
4. Presents method for legislature to address and resolve several pressing issues this session.

ECONOMIC LIFELINE HIGHWAY PROPOSAL

February 15, 1989

Att. 5

ALTERNATIVES	MOTOR FUEL TAX INCREASES	REGISTRATION FEE INCREASES	SALES TAX TRANSFER INCREASE	SALES AND COMPENSATING TAX INCREASE	INCREASE TO THE SPECIAL CITY & COUNTY FUND	BOND SALES	PROGRAM
HB 2014	4 c 7/1/89 2 c 7/1/91 1 c 7/1/93  1,033	52% PASSENGER 30% FREIGHT  318	10% OF SALES TAX COLLECTIONS  329	1/2% 62.5% FOR HIGHWAY FUND  865	37.5% OF SALES & COMPENSATING TAX INCREASE 519	LATE SALE AS NEEDED 15-YEAR @ 7.875% 651	
E.L. Proposal with 25 year bonds	4 c 7/1/89 1 c 7/1/90 1 c 7/1/91 1 c 7/1/92  691 (342)	52% PASSENGER 30% FREIGHT  318 0	SALES TAX COLLECTIONS 9.19% FY 1990 12% FY 1991+  500 171	1/2% 50% FOR HIGHWAY FUND (NOTE 1)  692 (173)	35% OF MFT INCREASE  372 (147)	EARLY SALE 25-YEAR @ 7.25%  1,130 479	PER HB 2014
E.L. Proposal with 20 year bonds	4 c 7/1/89 1 c 7/1/90 1 c 7/1/91 1 c 7/1/92  691 (342)	52% PASSENGER 30% FREIGHT  318 0	SALES TAX COLLECTIONS 9.19% FY 1990 12% FY 1991+  500 171	1/2% 50% FOR HIGHWAY FUND (NOTE 1)  692 (173)	35% OF MFT INCREASE  372 (147)	EARLY SALE 20-YEAR @ 7.25%  1,325 674	PER HB 2014

NOTE 1: One-half of the increase in the Sales & Compensating tax has been designated for Education. The amount for Education would be \$692 million.