

Approved: 2-22-99
Date

MINUTES OF THE HOUSE COMMITTEE ON TRANSPORTATION.

The meeting was called to order by Chairperson Rep. Gary Hayzlett at 1:35 p.m. on February 15, 1999 in Room 519-S of the Capitol.

All members were present except:
Representative Humerickhouse, excused

Committee staff present:
Bruce Kinzie, Revisor
Hank Avila, Research
Ellie Luthye, Committee Secretary

Conferees appearing before the committee:
Dean Carlson, Secretary/Department of Transportation
Bill Fuller, Kansas Farm Bureau

Others attending:
See attached sheet

HB 2071 - comprehensive transportation program

Representative Hayzlett opened hearings on **HB 2071** and called on Secretary of Transportation , Dean Carlson. He explained the contents of the bill and also the proposed funding. He did address a possible funding amendment which has not yet been presented to the committee. He thanked the committee for moving the discussion forward on the Comprehensive Transportation Program. (Attachment 1)

The next presenter was Bill Fuller. He expressed strong support for the development and approval of a comprehensive transportation program during the 1999 session of the Legislature, however, at this time they were not endorsing any specific plan. He also stated they support a fiscally responsible funding mix and listed their preferences. (Statement 2)

Following questions by the committee, the Chair closed hearings on **HB 2071**. The Chair informed the committee **HB 2071** would be opened for discussion and final action on Tuesday, February 16.

A memo from Secretary Carlson pertaining to a revision of the handout on Thursday, February 11th was distributed. (Statement 3)

The minutes for February 9th, 10th and 11th were presented for corrections or approval. Representative Larkin made a motion to approve the minutes, with the exception of changing the date from January to February. This was seconded by Representative Howell and the motion carried.

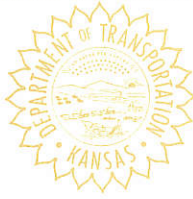
The minutes from the joint House and Senate Transportation Committee were presented to the committee. They will be considered approved if no objections are made by Friday, February 19th.

Chairman Hayzlett adjourned the meeting at 2:35 p.m. The next meeting of the House Transportation Committee will be Tuesday, February 16, 1999 at 2:00 p.m.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: February 15, 1999

NAME	REPRESENTING
Dick Bauman	KDOT
Ashley Shevard	Overland Park Chamber
Kelly Kuitala	City of Overland Park
Blaine Coulter	Ks. Good Roads
Bob Totten	Ks Contractors Association
John Peterson	Economic Lifelines
Ken Baker	Economic Lifelines
Tom Whitaker	Ks Motor Carriers Assn
MARY E. Turkington	T/2000
Row Butts	KS PUBLIC TRANSIT ASSOC
Chris Polzella	Inter/Mo/Il
Erik Sartorius	Johnson Co. Board of Realtors
George Banbee	KS CONSULTING ENGRS.
Elaine Berns	Inter-Rep. Flower
Bill Fuller	Kansas Farm Bureau
Patrick DeWurley	Economic Lifelines



**KANSAS DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY OF TRANSPORTATION**

E. Dean Carlson
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Bill Graves
GOVERNOR

**TESTIMONY BEFORE THE
HOUSE COMMITTEE ON TRANSPORTATION**

**Regarding House Bill 2071
Providing For A Comprehensive Transportation Program
February 15, 1999**

Mr. Chairman and Committee Members:

I am Dean Carlson, Secretary of the Kansas Department of Transportation. I am here today to provide testimony in support of House Bill 2071.

House Bill 2071 reflects the Governor's proposed eight-year Comprehensive Transportation Program. This Program continues both the routine and substantial maintenance efforts at the level currently funded in the Department's Interim Program. The major modification and priority bridge programs are both continued at a recommended average annual expenditure level of \$399 million compared to an extended Interim Program level of \$299 million. The system enhancement program initiated in the 1989 Comprehensive Highway Program is also included at our average annual expenditure level of \$125 million.

In addition, assistance to local governments with roads and bridges not on the State Highway System is enhanced by increasing the distribution of the Motor Fuel taxes for the Special City and County Highway Fund to \$160 million per year; by increasing the statutory per lane mile maintenance payment to cities from \$2,000 to \$3,000 per year; by providing authority to the Department to assist local governments with railroad crossings not on the State Highway System; by sharing federal aid with local units in proportion to the overall increases realized by the Department from the newly passed TEA-21 Bill; and by extending authority to the Department to assist local units with local road and bridge projects by providing loans, credit enhancements, or by facilitating the pooling of local debt.

The proposed program would also either enhance or establish modal partnership programs. The state public transit partnership is expanded to include

House Transportation Committee
February 15, 1999
Attachment 1

the general public, and the annual transfer to the Coordinated Public Transportation Assistance Fund is increased from \$1 million to \$5 million. An annual \$3 million transfer to the General Aviation Airport Development Fund is authorized to assist public use general aviation airports, and a \$3 million transfer to the Rail Service Improvement Fund is authorized for eight years to establish a revolving loan fund for shortline railroads. This program, as proposed under HB 2071, is an excellent program integrating the various modes of transportation in Kansas while adequately addressing our State needs over the next eight years. It not only is a program that is reachable, but it is also one that the Department feels can be successfully executed.

Funding for the proposed program is provided by increasing the sales tax transfer from the State General Fund to nine percent in FY 2000 and ten percent thereafter and by increasing the Department's authority to issue bonds by an additional \$1.8 billion of bonding authority. With continued favorable economic conditions these funding mechanisms will adequately meet the requirements of the proposed program.

At this time, I would also like to address what I understand might be a funding amendment to HB 2071. As the amendment is understood, it would implement a ten percent sales tax transfer beginning in FY 2000 but would totally remove the bonding authority recommended in the Governor's proposal. The proposed amendment, consistent with HB 2071, would provide the Department with the capability of adequately maintaining the State Highway System as improved by the CHP and would allow for the construction of the major modification and priority bridge programs as included in the Governor's proposal. The proposed amendment would, however, be \$300 million short of the originally recommended system enhancement level over the eight-year period.

In order to fund the program, which we would understand to be only slightly modified from that proposed by the Governor, it would require an additional \$1.5 billion in funding that is not addressed in the proposed amendment. Therefore, intended program execution would apparently become dependent upon adequate additional funding through the annual appropriation process. This annual process may or may not provide the anticipated funding needed to maintain the proposed multiyear program. Given the required planning horizon of five to seven years for some projects, the Department needs expectations of specific revenue receipts to effectively and efficiently execute a program of this size. The Department has concerns that placing dependence upon the annual appropriation process for such a significant portion of the enhanced funding could seriously disrupt the value of multiyear planning and programming, and would require consideration of the type of projects that could be programmed beyond the first three or four years.

I appreciate the opportunity to comment on HB 2071 and its possible amendment. Let me close by saying that I am extremely encouraged and pleased to see the House moving the discussion forward on the Comprehensive Transportation Program. While we may have reservations on the funding arrangements, the adoption of the program facets of the Governors' program is an excellent step forward.



PUBLIC POLICY STATEMENT

HOUSE COMMITTEE ON TRANSPORTATION

RE: HB 2071 - Developing a comprehensive transportation program for Kansas.

**February 15, 1999
Topeka, Kansas**

**Prepared by:
Bill R. Fuller, Associate Director
Public Affairs Division
Kansas Farm Bureau**

Chairman Hayzlett and members of the House Committee on Transportation, my name is Bill Fuller. I serve as the Associate Director of the Public Affairs Division for Kansas Farm Bureau.

We appreciate this opportunity to express strong support for the development and the approval of a comprehensive transportation program during the 1999 Session of the Kansas Legislature.

Kansas Farm Bureau was an active participant in developing and a strong proponent in supporting the 1989 highway program. We are here to suggest it is time to move ahead again on this infrastructure issue that is important to all Kansans.

Four transportation plans have been proposed this session. More may be introduced. Various versions of all these will be considered in developing consensus for a plan that can be supported by the Legislature and the Governor.

The 435 farm and ranch members serving as Voting Delegates at the 80th Annual Meeting of Kansas Farm Bureau adopted policy concerning support for a comprehensive transportation program and appropriate funding measures:

- ◆ ***“We support development of a comprehensive, integrated, total transportation system to meet the needs of Kansas. Airport, bridge, road, highway, rail and public transit needs were clearly demonstrated and articulated in the public input meetings of the Transportation 2000 Task Force.”***
- ◆ ***“The mobility of Kansans, the public health and safety of our citizens, and the growth and development of all segments of the state’s economy require coordination in construction and maintenance of a comprehensive transportation system.”***
- ◆ ***“Appropriate funding should be developed for all phases and programs of the transportation program.”***
- ◆ ***“We support the concept of highway users paying, through gallonage taxes, vehicle registration fees and sales taxes on motor vehicles, for the construction and maintenance of highways, roads and bridges.”***

We are not here to support any specific plan at this time. We are here to express Farm Bureau’s strong belief that a comprehensive transportation program should be approved this session, rather than placing the issue in interim committee or delaying action until next session.

Farm Bureau supports a fiscally responsible funding mix. We recommend the following funding sources and we list our preferences in descending order:

1. Bonding
2. Sales tax on motor vehicles
3. Fuel gallonage tax
4. Vehicle registration fees

We trust that Farm Bureau’s support for a comprehensive transportation program this session and the recommendations we have provided for funding will be helpful as you work to develop an acceptable plan. Thank you for this opportunity to express the views of the farm and ranch members of Farm Bureau on this important public policy issue. We will respond to any questions you may have. Thank you!



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Bill Graves
GOVERNOR

February 11, 1999

The Honorable Gary Hayzlett, Chairman
House Transportation Committee
Room 115-S, State Capitol Building
Topeka, Kansas 66612

Dear Chairman Hayzlett:

In my recent letter to you dated February 9, 1999 which responded to specific Committee questions, we noted a typographical error on page 3 of Attachment D. I have attached a revised table reflecting the projected annual average revenue for registration fees and titles during the period from FY 2000 to FY 2007. Please replace the original sheet with the attached revised table.

I hope our error has not caused any problems or confusion.

Sincerely,

A handwritten signature in black ink that reads "E. Dean Carlson".

E. Dean Carlson
Secretary of Transportation

Attachment

cc: Committee Members

Current Annual Revenue Returns For The Period FY 2000 – 2007

Annual Average Revenue

<u>Source</u>	<u>(Millions)</u>
One Cent Motor Fuel Tax	\$ 18.1
To State Highway Fund (Current Statutory Authority 59.5%)	\$ 10.8
<i>Registration Fees and Titles (Excluding Drivers' License And Special Vehicle Permits)</i>	\$130.0
¼ Cent Sales and Use Tax	\$102.0

Alternatives For Additional Revenue

Remove Caps From Sales Tax Transfer	\$ 32.0
Increase Sales Tax Transfer to 10% (9% in FY 2000)	\$ 69.0

Prepared By: Office of Management and Budget
Revised February 11, 1999