

MINUTES OF THE HOUSE TRANSPORTATION.

The meeting was called to order by Chairperson Gary Hayzlett at 1:10 p.m. on April 9, 2002 in Room 519-S of the Capitol.

All members were present except:

Committee staff present:

Bruce Kinzie, Office of the Revisor
Hank Avila, Legislative Research Department
Ellie Luthye, Committee Secretary

Conferees appearing before the committee:

Representative Ward Loyd

Others attending:

See attached sheet

HB 3026 - financing for the comprehensive transportation program

Chairman Hayzlett opened **HB 3026** for discussion and final action. He called on Bruce Kinzie, Revisor, to give an overview of the bill. The bill would raise \$147 million during the fiscal year that starts July 1 and \$1.1 billion during the following seven years. The bill would increase the state sales tax to 5.15 percent from the current 4.9 percent and raise the motor fuels taxes by 2 cents a gallon. Registration fees for cars and light trucks would rise 3 percent and registration fees for heavy trucks would increase \$2 to \$10 depending on their weight.

Representative Ward Loyd presented spread sheets showing several different scenarios, listed as Loyd 1, Loyd 2, and Loyd 4, for funding of the Comprehensive Transportation Plan and explained each to the committee. (Attachment 1)

Representative Dennis McKinney presented an alternative financing proposal which would increase the sales tax to 5.10% instead of 5.15%; increase motor fuels tax by 1 cent instead of 2; motor vehicle registration of \$2 for cars and up to a maximum for trucks of \$10 rather than the 3% called for in the bill; reinstate the inheritance tax with the money going directly to the highway fund; double the corporation franchise fee and expand the food rebate program. He said this was a less regressive tax structure and would take the burden off trucks. (Attachment 2)

Another plan was presented which showed a proposed increase in truck registrations by weight classification and showed a vehicle fee category. (Attachment 3)

A copy of the fiscal note for **HB 3026** was presented to the committee. (Attachment 4)

Representative McKinney made a motion to adopt the alternative plan which he presented, seconded by Representative Powers. A voice vote was taken, division was requested and the motion failed on an 8 to 13 vote.

Representative Powers made a motion to pass **HB 3026** favorably, seconded by Representative Aday.

Representative McKinney offered a substitute motion to adopt the Loyd 1 plan, which would reduce the sales tax transfer to zero in FY 2003, increase the sales and compensating use tax by 1/4 cent, increase motor fuel taxes 2 cents effective 7-1-03 and increase registration fees by \$5 on cars and pickups. This was seconded by Representative Levinson. A voice vote was taken, division was requested and the motion failed on a 7 to 10 vote.

Representative Vickery offered a substitute motion to amend **HB 3026** to include the vehicle fee category, seconded by Representative Humerickhouse and the motion carried.

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE, Room 519-S of the Capitol at 1:10 p.m.
on April 9th, 2002

Representative Aday made a motion to pass HB 3026 as amended, seconded by Representative Levinson and the motion carried..

The minutes of the House Transportation Committee for April 3rd and 4th were presented for approval or corrections. Representative Phelps made a motion to accept the minutes as presented, seconded by Representative Dreher and the motion carried.

Chairman Hayzlett adjourned the meeting at 2: 20 p.m. This will be the last meeting of the House Transportation Committee for 2002.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: April 9, 2002

NAME	REPRESENTING
Patrick Hurley	Economic Development
Bob Totten	Ks Contractor association
Woodsman	Ks Agg. Prod. Assn.
Wendy Harris	KS Ready Mixed Concrete Assn.
Denn Carter	Ks. Good Roads
Christi Stewart	Ks motor carriers assoc.
GARY DAVENPORT	Ks MOTOR CARRIERS ASSN.
Andy Shaw	PMCA
Sandy Jacquet	LKM
Leslie Oim	Conlee Consulting Group
Warren Z. Sub	K.D.O.T
Bill Watts	KDOT
Nancy Bogina	KDOT
Tom PALACE	PMCA OF KANSAS

WARD LOYD

REPRESENTATIVE, 123RD DISTRICT

FINNEY COUNTY

1304 CLOUD CIRCLE, P.O. BOX 834

GARDEN CITY, KS 67846

(316) 276-7280

ROOM 174-W STATEHOUSE

TOPEKA, KANSAS 66612-1504

(785) 296-7655

E-MAIL: loyd@gcnet.com



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEES
 CHAIR: RULES & JOURNAL
 VICE-CHAIR: JUDICIARY
 MEMBER: UTILITIES
 TAX, JUDICIAL &
 TRANSPORTATION BUDGET
 CORRECTION & JUVENILE
 JUSTICE OVERSIGHT

Chairman Hayzlett
 and Committee Members
 House Transportation Committee

Elements Considered in Funding the Comprehensive Transportation Plan,
 per HB 3026

- ✓ Quarter Cent – deposited directly to State Highway Fund
 - ✓ effective July 1, 2002
 - ✓ effective January 1, 2003
- ✓ Motor Fuel Tax – 1 cent, with entire increase to State Highway Fund
 - ✓ effective June 1, 2002 } - new
 - ✓ effective July 1, 2002 } - new
 - ✓ effective July 1, 2003 } - old law - already in place
- ✓ Motor Fuel Tax – 1 cent, with entire increase to State Highway Fund
 - ✓ effective July 1, 2004
- ✓ Registration Fees
 - ✓ \$5.00 on cars and pickups
 - ✓ flat fee schedule on heavier vehicles (trucks)
- ✓ State General Fund – transfer capped amount from Code 5511 sales tax account,
 the New and Used Vehicle Sales account

House Transportation Committee
 April 9, 2002
 Attachment 1

Joyce I

1-2

**KDOT
All Agency Funds**

**Scenario: Reduce the Sales Tax Transfer to zero in FY 2003 and reduce future transfers
Increase other taxes as detailed below**

See Notes at the bottom

Current bond strategy is to sell bonds as needed for liquidity and to avoid negative arbitrage
System Enhancement projects are still preliminary until agreements between KDOT and the respective cities and counties are finalized
Updated Construction Program, Budget Submission, & March 2002 Revenue estimates

(\$000)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	TOTAL FY 2000-2009
BEGINNING BALANCE	559,875	782,177	1,004,609	612,929	376,448	190,138	311,159	413,418	262,213	195,463	559,875
Resources											
Motor Fuel Taxes	356,069	356,399	373,080	378,243	431,369	440,071	444,251	448,432	452,611	456,791	4,137,316
SGF (Sales Tax) Transfer	62,240	51,709	94,559	-	21,167	21,908	22,730	23,582	24,466	25,384	347,745
Sales & Compensating Tax	88,598	89,241	93,548	192,387	199,116	205,927	214,032	221,881	230,648	239,767	1,775,146
Registration Fees	134,289	132,439	131,000	143,894	146,058	148,222	150,385	152,549	154,713	156,877	1,450,425
Drivers Licenses Fees	8,565	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	79,441
Special Vehicle Permits	510	484	484	484	484	484	484	484	484	484	4,867
Interest on Funds	43,362	51,354	33,240	23,434	10,959	17,423	23,559	23,878	8,398	5,399	241,006
Sales of Land & Buildings	908	245	300	300	-	-	-	-	-	-	1,753
Useable Condemned Equipment	2,182	1,256	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	15,953
Insurance Reimbursement	359	490	424	424	424	424	424	424	424	424	4,244
Publications	153	179	160	160	160	160	160	160	160	160	1,614
Misc. Revenues	7,885	2,010	1,940	2,021	2,671	3,173	3,654	4,168	4,692	5,064	37,277
Transfers:											
State Vehicle Registration	707	712	712	712	712	712	712	712	712	712	7,114
Motor Carrier Fund Excess	3,125	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	32,527
Motor Carrier Property Taxes	11,182	10,343	10,447	10,447	10,624	10,805	10,989	11,175	11,365	11,559	108,935
Other Transfers	1	1	-	-	-	-	-	-	-	-	2
Subtotal	720,116	708,002	752,603	765,215	836,454	862,018	884,090	900,155	901,383	915,330	8,245,366
Federal and Local Construction Reimbursement											
Federal Reimbursement - SHF	234,060	222,427	191,688	217,547	234,432	191,156	198,714	183,492	274,479	290,425	2,238,419
Local Construction - Federal	63,089	53,130	66,098	95,504	73,882	49,848	45,566	49,946	53,754	56,544	607,362
Local Construction - Local	17,968	17,416	26,204	31,046	30,288	26,214	15,161	17,833	17,559	19,652	219,341
System Enhancements: Local	1,268	2,062	-	24,907	28,105	44,227	71,785	65,456	64,046	56,308	358,164
Miscellaneous Federal Aid	10,079	10,295	10,213	10,359	10,368	10,371	10,427	10,910	11,339	11,201	105,562
Subtotal Federal & Local	328,465	305,330	294,203	379,363	377,076	321,816	341,652	327,636	421,176	434,130	3,528,848
Total before Bonding	1,048,581	1,013,332	1,046,806	1,144,578	1,213,530	1,183,834	1,225,742	1,227,792	1,322,559	1,349,460	11,774,213
Bond Sales (par)	325,000	350,000	-	-	-	300,000	297,000	-	-	-	1,272,000
Issue Costs/Premium/Discount/Acc Int.	450	4,848	-	-	-	-	-	-	-	-	5,298
Net from Bond Sales:	325,450	354,848	-	-	-	300,000	297,000	-	-	-	1,277,298
TOTAL RECEIPTS	1,372,031	1,368,180	1,046,806	1,144,578	1,213,530	1,483,834	1,522,742	1,227,792	1,322,559	1,349,460	13,051,511
AVAILABLE RESOURCES	1,931,906	2,150,357	2,051,415	1,757,507	1,589,978	1,673,972	1,833,902	1,641,210	1,584,772	1,544,923	13,611,386

The sales tax transfer in FY 2003 is reduced to zero and fixed at 13% of new & used car sales
Increase taxes as follows
Increase the sales and compensating use tax by 1/4 cent deposited directly to the State Highway Fund
Increase motor fuel taxes 2 cents effective 7/1/2003 - entire increase to the State Highway Fund
Increase registration fees by \$5 on cars and pickups but not on trucks
NOTE: Reduction of \$40 million has been made in program set-aside expenditures

EXPENDITURES:

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	FY 2000-2009
Maintenance											
Routine Maintenance:	102,428	106,250	107,181	111,232	116,925	120,023	123,276	126,740	130,377	134,106	1,178,538
Substantial Maintenance:	172,432	146,414	176,951	182,643	182,465	188,578	195,303	203,016	211,178	219,618	1,878,598
Total Maintenance	274,860	252,665	284,132	293,875	299,390	308,601	318,579	329,756	341,555	353,724	3,057,136
Construction											
Major Modifications & Priority Bridges											
Construction Contracts	295,226	252,286	419,482	341,905	376,948	319,520	221,632	181,729	224,976	237,841	2,871,544
CE & PE	72,842	81,275	88,282	89,251	90,660	82,816	81,259	88,200	80,852	79,922	835,359
Total Major Modifications	368,068	333,560	507,764	431,156	467,608	402,336	302,891	269,929	305,828	317,763	3,706,903
System Enhancements											
State Expenditures	40,950	95,559	117,084	98,816	91,667	122,214	238,627	217,983	172,666	136,112	1,331,679
Total Construction	409,018	429,119	624,848	529,972	559,275	524,550	541,518	487,912	478,494	453,875	5,038,582
Modes											
Aviation	653	3,590	1,823	4,300	3,544	3,363	3,242	3,161	3,108	3,072	29,857
Public Transit	7,536	7,071	11,201	10,455	10,555	10,655	10,655	11,755	13,255	13,055	106,194
Rail	2,588	1,656	6,875	3,610	3,658	4,167	5,989	6,532	4,092	4,487	43,655
Total Modes	10,777	12,317	19,899	18,365	17,758	18,186	19,887	21,448	20,455	20,614	179,706
Local Support											
SC&CHF	151,450	154,204	154,957	154,845	156,427	158,293	159,994	161,587	163,183	164,781	1,579,722
Local Federal Aid Projects	78,622	58,347	90,079	121,000	92,156	61,893	56,957	62,433	67,193	70,680	759,359
Local Partnership Programs	19,555	21,735	22,799	23,572	24,418	25,216	26,402	27,609	28,812	29,250	249,367
City Connecting Links	2,784	2,994	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	32,658
Agency Operations	6,257	6,827	7,506	7,512	7,820	7,982	8,253	8,534	8,725	8,920	78,336
Other											
Total Local Support	258,668	244,107	278,702	310,289	284,181	256,744	254,966	263,523	271,272	276,992	2,699,443
Management	46,041	51,706	54,120	51,087	59,865	64,120	66,159	66,097	65,981	65,454	590,629
Buildings	6,190	3,656	11,429	7,616	8,315	8,375	7,309	7,981	8,080	8,184	77,136
Total	52,232	55,362	65,549	58,704	68,180	72,495	73,468	74,078	74,061	73,638	667,766
Transfers Out	50,235	42,637	49,511	49,500	50,732	52,077	53,488	54,991	56,569	58,187	517,928
TOTAL before Debt Service	1,055,791	1,036,207	1,322,641	1,260,704	1,279,516	1,232,653	1,261,904	1,231,707	1,242,406	1,237,029	12,160,560
Debt Service											
CHP Bonds	85,340	85,333	85,314	85,321	85,286	85,290	85,256	85,225	85,233	85,222	852,821
CTP Bonds	8,597	24,208	30,530	35,034	35,038	44,870	73,323	62,064	61,670	67,770	443,103
Total	93,937	109,541	115,844	120,355	120,323	130,160	158,579	147,289	146,903	152,992	1,295,923
TOTAL EXPENDITURES	1,149,728	1,145,749	1,438,485	1,381,059	1,399,840	1,362,813	1,420,484	1,378,997	1,389,309	1,390,021	13,456,484
ENDING BALANCE	782,177	1,004,609	612,929	319,106	115,814	234,381	334,106	180,294	110,566	69,053	69,053
Minimum Ending Balance Requirement	166,807	305,494	323,970	393,769	424,076	362,439	279,612	287,154	327,190	441,555	441,555
AVAILABLE ENDING FUND BALANCE:	615,370	699,115	288,959	(74,664)	(308,262)	(128,058)	54,494	(106,860)	(216,624)	(372,503)	(372,503)
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total FY 2000-2009

NOTE: Required Ending Balances reflected.

1. Amounts required to satisfy bond debt service requirements
2. Funds allocated by statute for distribution to specific programs
3. A calculation of a necessary reserve to complete CTP projects
4. An amount necessary to provide for orderly payment of agency bills.

The sales tax transfer in FY 2003 is reduced to zero and fixed at 14% of new & used car sales
 Increase the sales and compensating use tax by 1/4 cent on 1/1/2003 deposited directly to the State Highway Fu
 Increase motor fuel taxes 1 cent effective 6/1/2003 - entire increase to the State Highway Fund (in addition to the
 Increase motor fuel taxes 1 cent effective 6/1/2004 - entire increase to the State Highway Fund
 Increase registration fees by \$5 on cars and pickups but not on trucks

L. E. Joyd 2

1-4

KDOT
All Agency Funds

Scenario: Reduce the Sales Tax Transfer to zero in FY 2003 and reduce future transfers
Increase other taxes as detailed below

See Notes at
the bottom

Current bond strategy is to sell bonds as needed for liquidity and to avoid negative arbitrage.

System Enhancement projects are still preliminary until agreements between KDOT and the respective cities and counties are finalized

Updated Construction Program, Budget Submission, & March 2002 Revenue estimates

(\$000)	TOTAL										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	FY 2000-2009
BEGINNING BALANCE	559,875	782,177	1,004,609	612,929	319,106	115,814	234,381	334,106	180,294	110,566	559,875
Resources											
Motor Fuel Taxes	356,069	356,399	373,080	378,243	416,374	440,071	444,251	448,432	452,611	456,791	4,122,321
SGF (Sales Tax) Transfer	62,240	51,709	94,559	-	22,796	23,593	24,478	25,396	26,348	27,337	358,456
Sales & Compensating Tax	88,598	89,241	93,548	136,613	199,116	205,927	214,032	221,881	230,648	239,767	1,719,372
Registration Fees	134,289	132,439	131,000	143,894	146,058	148,222	150,385	152,549	154,713	156,877	1,450,425
Drivers Licences Fees	8,565	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	79,441
Special Vehicle Permits	510	484	484	484	484	484	484	484	484	484	4,867
Interest on Funds	43,362	51,354	33,240	21,866	7,343	13,284	19,277	19,456	3,538	2,495	215,215
Sales of Land & Buildings	908	245	300	300	-	-	-	-	-	-	1,753
Useable Condemned Equipment	2,162	1,256	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	15,953
Insurance Reimbursement	359	490	424	424	424	424	424	424	424	424	4,241
Publications	153	179	160	160	160	160	160	160	160	160	1,614
Misc. Revenues	7,885	2,010	1,940	2,021	2,671	3,173	3,654	4,168	4,692	5,064	37,277
Transfers:											
State Vehicle Registration	707	712	712	712	712	712	712	712	712	712	7,114
Motor Carrier Fund Excess	3,125	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	32,527
Motor Carrier Property Taxes	11,182	10,343	10,447	10,447	10,624	10,805	10,989	11,175	11,365	11,559	108,935
Other Transfers	1	1	-	-	-	-	-	-	-	-	2
Subtotal	720,116	708,002	752,603	707,872	819,472	859,564	881,556	897,548	898,405	914,378	8,159,517
Federal and Local Construction Reimbursement											
Federal Reimbursement - SHF	234,060	222,427	191,688	217,547	234,432	191,156	198,714	183,492	274,479	290,425	2,238,419
Local Construction - Federal	63,089	53,130	66,098	95,504	73,882	49,848	45,566	49,946	53,754	56,544	607,362
Local Construction - Local	17,968	17,416	26,204	31,046	30,288	26,214	15,161	17,833	17,559	19,652	219,341
System Enhancements: Local	1,268	2,062	-	24,907	28,105	44,227	71,785	65,456	64,046	56,308	358,164
Miscellaneous Federal Aid	10,079	10,295	10,213	10,359	10,368	10,371	10,427	10,910	11,339	11,201	105,562
Subtotal Federal & Local	326,465	305,330	294,203	379,363	377,076	321,816	341,652	327,636	421,176	434,130	3,528,848
Total before Bonding	1,046,581	1,013,332	1,046,806	1,087,236	1,196,548	1,181,380	1,223,208	1,225,184	1,319,581	1,348,508	11,688,364
Bond Sales (par)	325,000	350,000	-	-	-	300,000	297,000	-	-	-	1,272,000
Issue Costs/Premium/Discount/Acc Int.	450	4,848	-	-	-	-	-	-	-	-	5,298
Net from Bond Sales:	325,450	354,848	-	-	-	300,000	297,000	-	-	-	1,277,298
TOTAL RECEIPTS	1,372,031	1,368,180	1,046,806	1,087,236	1,196,548	1,481,380	1,520,208	1,225,184	1,319,581	1,348,508	12,965,662
AVAILABLE RESOURCES	1,931,906	2,150,357	2,051,415	1,700,165	1,515,654	1,597,194	1,754,590	1,559,290	1,499,875	1,459,074	13,525,537

The sales tax transfer in FY 2003 is reduced to zero and fixed at 14% of new & used car sales
 Increase taxes as follows

Increase the sales and compensating use tax by 1/4 cent on 1/1/2003 deposited directly to the State Highway Fund

Increase motor fuel taxes 1 cent effective 6/1/2003 - entire increase to the State Highway Fund (in addition to the one cent on 7/1/2003)

Increase motor fuel taxes 1 cent effective 6/1/2004 - entire increase to the State Highway Fund

Increase registration fees by \$5 on cars and pickups but not on trucks

NOTE: Reduction of \$40 million has been made in program set-aside expenditures

for 7/1/2002

EXPENDITURES:

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	FY 2000-2009
Maintenance											
Routine Maintenance:	102,428	106,250	107,181	111,232	116,925	120,023	123,276	126,740	130,377	134,106	1,178,538
Substantial Maintenance:	172,432	148,414	176,951	182,643	182,465	188,578	195,303	203,018	211,178	219,618	1,878,598
Total Maintenance	274,860	252,665	284,132	293,875	299,390	308,601	318,579	329,756	341,555	353,724	3,057,136
Construction											
Major Modifications & Priority Bridges											
Construction Contracts	295,228	252,286	419,482	341,905	376,948	319,520	221,632	181,729	224,976	237,841	2,871,544
CE & PE	72,842	81,275	88,282	89,251	90,660	82,816	81,259	88,200	80,852	79,922	835,359
Total Major Modifications	368,068	333,560	507,764	431,156	467,608	402,336	302,891	269,929	305,828	317,763	3,706,903
System Enhancements											
State Expenditures	40,950	95,559	117,084	98,816	91,667	122,214	238,627	217,983	172,666	136,112	1,331,679
Total Construction	409,018	429,119	624,848	529,972	559,275	524,550	541,518	487,912	478,494	453,875	5,038,582
Modes											
Aviation	653	3,590	1,823	4,300	3,544	3,363	3,242	3,161	3,108	3,072	29,857
Public Transit	7,536	7,071	11,201	10,455	10,555	10,655	10,655	11,755	13,255	13,055	106,194
Rail	2,588	1,658	6,875	3,610	3,658	4,167	5,989	6,532	4,092	4,487	43,655
Total Modes	10,777	12,317	19,899	18,365	17,758	18,186	19,887	21,448	20,455	20,614	179,706
Local Support											
SC&CHF	151,450	154,204	154,957	154,845	158,427	158,293	159,994	161,587	163,183	164,781	1,579,722
Local Federal Aid Projects	78,622	58,347	90,079	121,000	92,156	61,893	56,957	62,433	67,193	70,680	759,359
Local Partnership Programs	19,555	21,735	22,799	23,572	24,418	25,216	26,402	27,609	28,812	29,250	249,367
City Connecting Links	2,784	2,994	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	32,658
Agency Operations	6,257	6,827	7,506	7,512	7,820	7,982	8,253	8,534	8,725	8,920	78,336
Other											
Total Local Support	258,668	244,107	278,702	310,289	284,181	256,744	254,966	263,523	271,272	276,992	2,699,443
Management											
Buildings	46,041	51,708	54,120	51,087	59,865	64,120	66,159	66,097	65,981	65,454	590,629
Total	6,190	3,658	11,129	7,616	8,315	8,375	7,309	7,981	8,080	8,184	77,136
Total	52,232	55,362	65,549	58,704	68,180	72,495	73,468	74,078	74,061	73,638	667,766
Transfers Out											
	50,235	42,637	49,511	49,500	50,732	52,077	53,488	54,991	56,569	58,187	517,928
TOTAL before Debt Service	1,055,791	1,036,207	1,322,641	1,260,704	1,279,516	1,232,653	1,261,904	1,231,707	1,242,406	1,237,029	12,160,560
Debt Service											
CHF Bonds	85,340	85,333	85,314	85,321	85,286	85,290	85,256	85,225	85,233	85,222	852,821
CTP Bonds	8,597	24,208	30,530	35,034	35,038	44,870	73,323	62,064	61,670	67,770	443,103
Total	93,937	109,541	115,844	120,355	120,323	130,160	158,579	147,289	146,903	152,992	1,295,923
TOTAL EXPENDITURES	1,149,728	1,145,749	1,438,485	1,381,059	1,399,840	1,362,813	1,420,484	1,378,997	1,389,309	1,390,021	13,456,484
ENDING BALANCE											
	782,177	1,004,609	612,929	376,448	190,138	311,159	413,418	262,213	195,463	154,902	154,902
Minimum Ending Balance Requirement	166,807	305,494	323,970	393,769	424,076	362,439	279,612	287,154	327,190	441,555	441,555
AVAILABLE ENDING FUND BALANCE:	615,370	699,115	288,959	(17,321)	(233,938)	(51,280)	133,806	(24,941)	(131,727)	(286,654)	(286,654)
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
											FY 2000-2009

NOTE: Required Ending Balances reflected.

1. Amounts required to satisfy bond debt service requirements
2. Funds allocated by statute for distribution to specific programs
3. A calculation of a necessary reserve to complete CTP projects
4. An amount necessary to provide for orderly payment of agency bills.

The sales tax transfer in FY 2003 is reduced to zero and fixed at 13% of new & used car sales
 Increase the sales and compensating use tax by 1/4 cent deposited directly to the State Highway Fund
 Increase motor fuel taxes 2 cents effective 7/1/2003 - entire increase to the State Highway Fund
 Increase registration fees by \$5 on cars and pickups but not on trucks
 NOTE: Reduction of \$40 million has been made in program set-aside expenditures

KDOT
All Agency Funds

Scenario: Reduce the Sales Tax Transfer to zero in FY 2003 and reduce future transfers
Increase other taxes as detailed below

See Notes at the bottom

Current bond strategy is to sell bonds as needed for liquidity and to avoid negative arbitrage.

* System Enhancement projects are still preliminary until agreements between KDOT and the respective cities and counties are finalized.
Updated Construction Program, Budget Submission, & March 2002 Revenue estimates

(\$000)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	TOTAL FY 2000-2009
BEGINNING BALANCE	559,875	782,177	1,004,609	612,929	340,965	143,996	267,775	380,103	244,506	194,504	559,875
Resources											
Motor Fuel Taxes	356,069	356,399	373,080	396,067	417,897	440,071	444,251	448,432	452,611	456,791	4,141,668
SGF (Sales Tax) Transfer	62,240	51,709	94,559	-	22,796	23,593	24,478	25,396	26,348	27,337	358,456
Sales & Compensating Tax	88,598	89,241	93,548	136,613	199,116	205,927	214,032	221,881	230,648	239,767	1,719,372
Registration Fees	134,289	132,439	131,000	147,332	149,547	151,763	160,809	167,743	170,122	172,502	1,517,545
Drivers Licences Fees	8,565	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875	79,441
Special Vehicle Permits	510	484	484	484	484	484	484	484	484	484	4,867
Interest on Funds	43,362	51,354	33,240	22,463	8,717	14,971	21,455	22,479	7,854	5,877	231,772
Sales of Land & Buildings	908	245	300	300	-	-	-	-	-	-	1,753
Useable Condemned Equipment	2,162	1,256	1,567	1,567	1,567	1,567	1,567	1,567	1,567	1,567	15,953
Insurance Reimbursement	359	490	424	424	424	424	424	424	424	424	4,244
Publications	153	179	160	160	160	160	160	160	160	160	1,614
Misc. Revenues	7,885	2,010	1,940	2,021	2,671	3,173	3,654	4,168	4,692	5,064	37,277
Transfers:											
State Vehicle Registration	707	712	712	712	712	712	712	712	712	712	7,114
Motor Carrier Fund Excess	3,125	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	3,267	32,527
Motor Carrier Property Taxes	11,182	10,343	10,447	10,447	10,624	10,805	10,989	11,175	11,365	11,559	108,935
Other Transfers	1	1	-	-	-	-	-	-	-	-	2
Subtotal	720,116	708,002	752,603	729,732	825,858	864,792	894,158	915,764	918,131	933,385	8,262,540
Federal and Local Construction Reimbursement											
Federal Reimbursement - SHF	234,060	222,427	191,688	217,547	234,432	191,156	198,714	183,492	274,479	290,425	2,238,419
Local Construction - Federal	63,089	53,130	66,098	95,504	73,882	49,848	45,566	49,946	53,754	56,544	607,362
Local Construction - Local	17,968	17,416	26,204	31,046	30,288	26,214	15,161	17,833	17,559	19,652	219,341
* System Enhancements: Local	1,268	2,062	-	24,907	28,105	44,227	71,785	65,456	64,046	56,308	358,164
Miscellaneous Federal Aid	10,079	10,295	10,213	10,359	10,368	10,371	10,427	10,910	11,339	11,201	105,562
Subtotal Federal & Local	326,465	305,330	294,203	379,363	377,076	321,816	341,652	327,636	421,176	434,130	3,528,848
Total before Bonding	1,046,581	1,013,332	1,046,806	1,109,095	1,202,934	1,186,608	1,235,811	1,243,400	1,339,307	1,367,515	11,791,388
Bond Sales (par)	325,000	350,000	-	-	-	300,000	297,000	-	-	-	1,272,000
Issue Costs/Premium/Discount/Acc Int.	450	4,848	-	-	-	-	-	-	-	-	5,298
Net from Bond Sales:	325,450	354,848	-	-	-	300,000	297,000	-	-	-	1,277,298
TOTAL RECEIPTS	1,372,031	1,368,180	1,046,806	1,109,095	1,202,934	1,486,608	1,532,811	1,243,400	1,339,307	1,367,515	13,068,686
AVAILABLE RESOURCES	1,931,906	2,150,357	2,051,415	1,722,024	1,543,899	1,630,604	1,800,586	1,623,503	1,583,813	1,562,018	13,628,560

The sales tax transfer in FY 2003 is reduced to zero and fixed at 14% of new & used car sales
Increase taxes as follows

- Increase the sales and compensating use tax by 1/4 cent on 1/1/2003 deposited directly to the State Highway Fund
- Increase motor fuel taxes 1 cent effective 6/1/2002 - entire increase to the State Highway Fund
- Change the implementation date of the current 7/1/2003 to 6/1/2003
- Increase motor fuel taxes 1 cent effective 6/1/2004 - entire increase to the State Highway Fund
- Increase registration fees 7/1/2002 by \$5 on cars and pickups and \$5 to \$50 on trucks and on 1/1/2005 increase \$5 on cars & pickups

NOTE: Reduction of \$40 million has been made in program set-aside expenditures

EXPENDITURES:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	FY 2000-2009
Maintenance											
Routine Maintenance:	102,428	106,250	107,181	111,232	116,925	120,023	123,276	126,740	130,377	134,106	1,178,538
Substantial Maintenance:	172,432	146,414	176,951	182,643	182,465	188,578	195,303	203,016	211,178	219,618	1,878,598
Total Maintenance	274,860	252,665	284,132	293,875	299,390	308,601	318,579	329,756	341,555	353,724	3,057,136
Construction											
Major Modifications & Priority Bridges											
Construction Contracts	295,226	252,286	419,482	341,905	376,948	319,520	221,632	181,729	224,976	237,841	2,871,544
CE & PE	72,842	81,275	88,282	89,251	90,660	82,816	81,259	88,200	80,852	79,922	835,359
Total Major Modifications	368,068	333,560	507,764	431,156	467,608	402,336	302,891	269,929	305,828	317,763	3,706,903
System Enhancements											
State Expenditures	40,950	95,559	117,084	98,816	91,667	122,214	238,627	217,983	172,666	136,112	1,331,679
Total Construction	409,018	429,119	624,848	529,972	559,275	524,550	541,518	487,912	478,494	453,875	5,038,582
Modes											
Aviation	653	3,590	1,823	4,300	3,544	3,363	3,242	3,161	3,108	3,072	29,857
Public Transit	7,536	7,071	11,201	10,455	10,555	10,655	10,655	11,755	13,255	13,055	106,194
Rail	2,588	1,656	6,875	3,610	3,658	4,167	5,989	6,532	4,092	4,487	43,655
Total Modes	10,777	12,317	19,899	18,365	17,758	18,186	19,887	21,448	20,455	20,614	179,706
Local Support											
SC&CHF	151,450	154,204	154,957	154,845	156,490	158,309	159,994	161,587	163,183	164,781	1,579,801
Local Federal Aid Projects	78,622	58,347	90,079	121,000	92,156	61,893	56,957	62,433	67,193	70,680	759,359
Local Partnership Programs	19,555	21,735	22,799	23,572	24,418	25,216	26,402	27,609	28,812	29,250	249,367
City Connecting Links	2,784	2,994	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	32,658
Agency Operations	6,257	6,827	7,506	7,512	7,820	7,982	8,253	8,534	8,725	8,920	78,336
Other											
Total Local Support	258,668	244,107	278,702	310,289	284,244	256,760	254,966	263,523	271,272	276,992	2,699,522
Management											
Buildings	46,041	51,706	54,120	51,087	59,865	64,120	66,159	66,097	65,981	65,454	590,629
Total	52,232	55,362	65,549	58,704	68,180	72,495	73,468	74,078	74,061	73,638	667,766
Transfers Out											
	50,235	42,637	49,511	49,500	50,732	52,077	53,488	54,991	56,569	58,187	517,928
TOTAL before Debt Service	1,055,791	1,036,207	1,322,641	1,260,704	1,279,579	1,232,669	1,261,904	1,231,707	1,242,406	1,237,029	12,160,639
Debt Service											
CHP Bonds	85,340	85,333	85,314	85,321	85,286	85,290	85,256	85,225	85,233	85,222	852,821
CTP Bonds	8,597	24,208	30,530	35,034	35,038	44,870	73,323	62,064	61,670	67,770	443,103
	93,937	109,541	115,844	120,355	120,323	130,160	158,579	147,289	146,903	152,992	1,295,923
TOTAL EXPENDITURES	1,149,728	1,145,749	1,438,485	1,381,059	1,399,903	1,362,829	1,420,484	1,378,997	1,389,309	1,390,021	13,456,563
ENDING BALANCE	782,177	1,004,609	612,929	340,965	143,996	267,775	380,103	244,506	194,504	171,997	171,997
Minimum Ending Balance Requirement	166,807	305,494	323,970	393,769	424,092	362,439	279,612	287,154	327,190	441,555	441,555
AVAILABLE ENDING FUND BALANCE:	615,370	699,115	288,959	(52,804)	(280,095)	(94,664)	100,490	(42,648)	(132,686)	(269,558)	(269,558)
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total FY 2000-2009

NOTE: Required Ending Balances reflected.

1. Amounts required to satisfy bond debt service requirements
2. Funds allocated by statute for distribution to specific programs
3. A calculation of a necessary reserve to complete CTP projects
4. An amount necessary to provide for orderly payment of agency bills.

The sales tax transfer in FY 2003 is reduced to zero and fixed at 14% of new & used car sales
 Increase the sales and compensating use tax by 1/4 cent on 1/1/2003 deposited directly to the State Highway Fund
 Increase motor fuel taxes 1 cent effective 6/1/2002 - entire increase to the State Highway Fund
 Increase motor fuel taxes 1 cent effective 6/1/2004 - entire increase to the State Highway Fund
 Increase registration fees 7/1/2002 by \$5 on cars and pickups and \$5 to \$50 on trucks and on 1/1/2005 increase

3026 - (Substance of House Select Committee Recommendations)

(\$ in millions)

	June 1, 02 sales/use tax incr of 0.25% (to 5.15%) earmarked for SHF	2 cent m fuels tax increase effective June 1, 02	Roughly 3% M Veh Reg Fee increases July 1, 02	New Transfer of 14% of "5511" New and Used Car Sales Tax Transfer	New Cons Estimate: Eliminate Current Transfer plus an extra \$20m	Net Change in SHF Resources This Plan	Net Impact on SGF Equivalent to Net Change in Transfers
FY 2003	\$95.613	\$35.650	\$3.990	---	(\$146.650)	(\$11.397)	\$146.650
FY 2004	\$98.978	\$35.988	\$4.050	\$22.796	(\$155.690)	\$6.122	\$132.894
FY 2005	\$102.672	\$36.328	\$4.110	\$23.594	(\$172.870)	(\$6.166)	\$149.276
FY 2006	\$106.726	\$36.668	\$4.170	\$24.479	(\$179.631)	(\$7.588)	\$155.152
FY 2007	\$110.941	\$37.006	\$4.230	\$25.397	(\$186.177)	(\$8.603)	\$160.780
FY 2008	\$115.322	\$37.348	\$4.290	\$26.349	(\$193.599)	(\$10.290)	\$167.250
FY 2009	\$119.876	\$37.688	\$4.350	\$27.337	(\$201.609)	(\$12.358)	\$174.272
thru 2009	\$750.128	\$256.676	\$29.190	\$149.951	(\$1,236.226)	(\$50.281)	\$1,086.275

HB 3026 - Alternative Financing Proposal

	June 1, 02 sales/use tax incr of 0.20% (to 5.10%) earmarked for SHF	1 cent m fuels tax increase effective June 1, 02	M Veh Reg Run with cars up \$2 and trucks up a max of \$10 July 1, 02	New Transfer of 14% of "5511" New and Used Car Sales Tax Transfer	(New Money to SHF) Class C Inheritance Tax Reimposition Retroactive to 3/1/02 (Gov's rec)	(New Money to SHF) Corp Franch Fee Doubled for Tax Year 2002 and thereafter (Gov's rec)	Expand FS rebate program to \$66 and \$33 for tax year 02 and thereafter (Gov's rec)	New Cons Estimate: Eliminate Current Transfer plus an extra \$20m	Net Change in SHF Resources This Plan	Net Impact on SGF Equivalent to Net Change in Transfers and FS Reb Expansion
FY 2003	\$76.490	\$17.825	\$5.080	---	\$20.000	\$18.000	(\$2.500)	(\$146.650)	(\$9.255)	\$144.150
FY 2004	\$79.182	\$17.994	\$5.156	\$22.796	\$20.600	\$18.540	(\$2.500)	(\$155.690)	\$8.578	\$130.394
FY 2005	\$82.138	\$18.164	\$5.233	\$23.594	\$21.218	\$19.096	(\$2.500)	(\$172.870)	(\$3.427)	\$146.776
FY 2006	\$85.381	\$18.334	\$5.309	\$24.479	\$21.855	\$19.669	(\$2.500)	(\$179.631)	(\$4.605)	\$152.652
FY 2007	\$88.753	\$18.503	\$5.385	\$25.397	\$22.510	\$20.259	(\$2.500)	(\$186.177)	(\$5.370)	\$158.280
FY 2008	\$92.258	\$18.674	\$5.462	\$26.349	\$23.185	\$20.867	(\$2.500)	(\$193.599)	(\$6.804)	\$164.750
FY 2009	\$95.901	\$18.844	\$5.538	\$27.337	\$23.881	\$21.493	(\$2.500)	(\$201.609)	(\$8.615)	\$171.772
thru 2009	\$600.103	\$128.338	\$37.163	\$149.951	\$153.249	\$137.924	(\$17.500)	(\$1,236.226)	(\$29.498)	\$1,068.775

House Transportation Committee
April 9, 2002
Attachment 2

Vehicle Fee Category	Fee	te-Wide Count			
Autos-4,500 lbs or less	\$ 25.00	1,432,921	\$ 26.50	\$	1.50
Autos-4,501 lbs and over	\$ 35.00	74,852	\$ 36.50	\$	1.50
Motorcycles	\$ 15.00	44,830	\$ 16.00	\$	1.00
Motorized Bicycles	\$ 10.00	5,037	\$ 11.00	\$	1.00
Trailers					
All trailers(avg reg. fee)	\$ 25.00	104,330	\$25.00	\$	-
Trucks					
Regular - 12M or less	\$35.00	604,477	\$ 37	\$	2.00
Regular - 16M	\$100.00	8,116	\$ 102	\$	2.00
Regular - 20M	\$130.00	4,891	\$ 132	\$	2.00
Regular - 24M	\$195.00	6,987	\$ 197	\$	2.00
Regular - 26M	\$310.00	0	\$ 312	\$	2.00
Regular - 30M	\$310.00	4,680	\$ 312	\$	2.00
Regular - 36M	\$370.00	2,035	\$ 375	\$	5.00
Regular - 42M	\$470.00	848	\$ 475	\$	5.00
Regular - 48M	\$600.00	1,077	\$ 605	\$	5.00
Regular - 54M	\$800.00	2,248	\$ 805	\$	5.00
Regular - 60M	\$1,000.00	454	\$ 1,010	\$	10.00
Regular - 66M	\$1,200.00	377	\$ 1,210	\$	10.00
Regular - 74M	\$1,525.00	172	\$ 1,535	\$	10.00
Regular - 80M	\$1,725.00	954	\$ 1,735	\$	10.00
Regular - 85.5M	\$1,925.00	1,186	\$ 1,935	\$	10.00
Local - 16M	\$60.00	620	\$ 62	\$	2.00
Local - 20M	\$100.00	319	\$ 102	\$	2.00
Local - 24M	\$130.00	907	\$ 132	\$	2.00
Local - 26M	\$175.00	0	\$ 177	\$	2.00
Local - 30M	\$175.00	862	\$ 177	\$	2.00
Local - 36M	\$210.00	431	\$ 215	\$	5.00
Local - 42M	\$240.00	192	\$ 245	\$	5.00
Local - 48M	\$310.00	356	\$ 315	\$	5.00
Local - 54M	\$410.00	1,713	\$ 415	\$	5.00
Local - 60M	\$470.00	265	\$ 480	\$	10.00
Local - 66M	\$570.00	340	\$ 580	\$	10.00
Local - 74M	\$750.00	244	\$ 760	\$	10.00
Local - 80M	\$880.00	327	\$ 890	\$	10.00
Local 85.5M	\$1,000.00	155	\$ 1,010	\$	10.00
Farm - 16M	\$35.00	34,207	\$ 37	\$	2.00
Farm - 20M	\$40.00	10,436	\$ 42	\$	2.00
Farm - 24M	\$50.00	16,514	\$ 52	\$	2.00
Farm - 26M	\$70.00	0	\$ 72	\$	2.00
Farm - 30M	\$70.00	4,103	\$ 72	\$	2.00
Farm - 36M	\$70.00	3,032	\$ 75	\$	5.00
Farm - 42M	\$70.00	1,528	\$ 75	\$	5.00
Farm - 48M	\$70.00	1,449	\$ 75	\$	5.00
Farm - 54M	\$70.00	11,725	\$ 75	\$	5.00
Farm - 60M	\$180.00	413	\$ 190	\$	10.00
Farm - 66M	\$360.00	428	\$ 370	\$	10.00
Farm - 85.5M	\$600.00	4,095	\$ 610	\$	10.00

Proposed increase in truck registrations by weight classification.
The same increase for all classes of trucks.

<u>lbs</u>	<u>increase</u>
16m	\$5
20m	\$6
24m	\$10
26m	\$15
30m	\$15
36m	\$20
42m	\$20
48m	\$25
54m	\$25
60m	\$30
66m	\$30
74m	\$40
80m	\$45
85.5m	\$50

DIVISION OF THE BUDGET
State Capitol Building, Room 152-E
Topeka, Kansas 66612-1575
(785) 296-2436
FAX (785) 296-0231
<http://da.state.ks.us/budget>

Bill Graves
Governor

Duane A. Goossen
Director

April 4, 2002

The Honorable Gary Hayzlett, Chairperson
House Committee on Transportation
Statehouse, Room 115-S
Topeka, Kansas 66612

Dear Representative Hayzlett:

SUBJECT: Fiscal Note for HB 3026 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 3026 is respectfully submitted to your committee.

HB 3026 would provide funding for the Comprehensive Transportation Program. The bill would delete the demand transfer from the State General Fund (SGF) to the State Highway Fund (SHF) that is tied to sales tax collections. In current law, the demand transfer to the SHF would be 11.0 percent of all sales tax collections in FY 2003, 11.25 percent in FY 2004, and 12.0 percent from FY 2005 forward. HB 3026 would change the demand transfer to a revenue transfer with the transfer consisting of 14.0 percent of the sales tax collected only on new and used motor vehicle sales beginning in FY 2004. There would be no transfer in FY 2003. Additionally, vehicle registration fees would increase an average of 3.0 percent. The state sales tax would be increased from 4.9 percent to 5.15 percent, with the additional 0.25 percent being deposited directly into the SHF. Motor vehicle fuel tax rates would be increased by two cents, with the entire increase to be deposited in the SHF. Both the increased sales tax and motor vehicle fuels tax would be effective June 1, 2002. The revenue transfer and vehicle registration fee increases would become effective July 1, 2002.

Estimated State Fiscal Effect				
	FY 2002 SGF	FY 2002 All Funds	FY 2003 SGF	FY 2003 All Funds
Revenue	--	--	--	\$135,252,000
Expenditure	--	--	--	\$207,806- \$359,006
FTE Pos.	--	--	--	1.0

House Transportation Committee
April 9, 2002
Attachment 4

The Kansas Department of Transportation (KDOT) states that HB 3026 would result in a \$11.4 million decrease in revenue to the SHF in FY 2003, based on the original agency request, a \$6.1 million increase in FY 2004, a \$6.2 million decrease in FY 2005, and a \$7.7 million decrease in FY 2006. In FY 2003, the increase in vehicle registration fees would result in \$4.0 million in new revenue, the increase in motor fuel would result in \$35.6 million in new revenue, and the sales tax increase would bring in an additional \$95.6 million. All of the new revenues would be deposited directly into the SHF.

The expenditures related to this bill would be experienced in the Department of Revenue (KDOR). KDOR states that changes necessary to implement the bill would cost between \$207,806 and \$359,006 in FY 2003, with \$29,151 in on-going expenses in out-years. The FY 2003 expenditures include \$37,245 in new publication costs, \$40,850 in system test costs, \$28,181 for 1.0 FTE position for an administrative assistant, \$5,760 for an image-enabled workstation, and \$970 in other operating expenditures. The remaining \$94,800 to \$246,000 would be costs associated with the reprogramming of KDOR's computer system. The lower amount would be the cost if in-house programmers were used; the higher amount would result from using contract programmers. The on-going costs would be for the administrative assistant salary and other operating expenses associated with that position. Any fiscal effect resulting from this bill would be in addition to amounts included in *The FY 2003 Governor's Budget Report*.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Bill Watts, KDOT
Steve Neske, Revenue