

Approved: 05-02-08

Date

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:15 A.M. on March 26, 2008 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jennifer Thierer, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Norm Furse, Revisor of Statutes
Jason Long, Revisor of Statutes
Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Laura Gorley, Finance Director, City of Gardner
Dottie Riley, Kutak Pock LLP
Tom Riederer, President, Johnson County Economic Development Council
Peter Solie, Gardner Area Chamber of Commerce
Bill Crandall, the Allen Group
Joseph Erskine, Deputy Secretary of Finance & Administration, KDOT
Chris Butierrez, President, SmartPort
Stuart Little, Johnson county Board of County Commissioners
Bryan DeMars, Concerned Citizen of Gardner

Others attending:

See attached list.

To read testimony submitted by conferees go to

<http://skyways.lib.ks.us/government/KansasSenateCommerceCommittee>.

HB 2771--Concerning age discrimination

SB 612--Discrimination in employment; victims of domestic violence and sexual abuse; authorizing enforcement and rules and regulations authority for the secretary of labor.

HB 2315--Secretary of state; registration of home inspectors.

SB 525--Kansas investments in major products and comprehensive training act (IMPACT) amendments.

SB 501--Establishment of the Kansas Tourism Corporation

SB 693--Creating the Kansas intermodal transportation revolving fund; financing of intermodal transportation projects

Chairperson Brownlee called the Committee attention to **HB 2771** stating it was on age discrimination and that **SB 612** which was also a discrimination bill involving victims of domestic violence and sexual abuse which was passed out of our Committee was have difficulties getting out of the House and she would like to roll **SB 612** into **HB 2771**.

Senator Jordan made a motion to roll SB 612 into HB 2771. Senator Schodorf seconded. Motion carried.

Senator Reitz made a motion to pass HB 2771 out favorably as amended. Senator Emler seconded. Motion carried.

Chairperson Brownlee moved the Committee attention to the tourism bill, **SB 501**, stating it looked as though it would not get out of the House and there might be something the Committee could do but could address that issue later. The discussion moved to **SB 525** which still hasn't been passed out of the Senate but she stated leadership had been meeting and might be ready to move it out. The fiscal note on **SB 525** was discussed and the fact that if they bring it down that might not be adequate for the aircraft industry.

Chairperson Brownlee called on Jason Long, Revisors Office, to explain the new balloon on **HB 2315**. Mr. Long presented written copy (Attachment 1) which can be found in its entirety on the link listed on page 1 of these minutes. Mr. Long reviewed the balloon for the Committee.

Chairperson Brownlee called on a representative of the Secretary of State's office and she stated that they are not an enforcement agency but they were fine with the registration and she would like to look at the fiscal impact. The enforcement was discussed and it was noted that the AG's office would be the enforcer.

Senator Barone suggested to move forward with the bill and it would go to conference and that would give the Secretary of State's office time to study the bill.

Senator Schodorf made a motion to approve the balloon on HB 2315. Senator Jordan seconded. Motion carried.

Senator Reitz made a motion to move the bill out favorably as amended. Senator Emler seconded. Motion carried.

Chairperson Brownlee then turned the Chair over to Senator Jordan and he called the Committee's attention to **SB 693**. He opened the hearing on the bill and introduced Laura Gorley, City of Gardner, to give her testimony as a proponent of the bill. Ms. Gorley presented written testimony (Attachment 2) which can be found in its entirety on the link listed on page 1 of these minutes.

Chairperson Jordan introduced Dottie Riley, Kutak Rock LLP, to give her testimony as a proponent of **SB 693**. Ms. Riley presented written testimony (Attachment 3) which can be found in its entirety on the link shown on page 1 of these minutes.

Chairperson Jordan introduced Tom Riederer, President, Johnson County Economic Development Council, to give his testimony as a proponent of the bill. Mr. Riederer presented written testimony (Attachment 4) which can be found in its entirety on the link shown on page 1 of these minutes.

Chairperson Jordan introduced Peter Solie, Gardner Chamber of Commerce, to give his testimony as a proponent of **SB 693**. Mr. Solie presented written testimony (Attachment 5) which can be found in its entirety on the link listed on page 1 of these minutes.

Chairperson Jordan introduced Bill Crandall, Allen Group, to give his testimony as a proponent of the bill. Mr. Crandall presented written testimony (Attachment 6) which can be found in its entirety on the link shown on page 1 of these minutes.

Chairperson Jordan introduced Joseph Erskine, Deputy Secretary of Finance and Administration, KDOT, to give his testimony as a proponent of **SB 693**. Mr. Erskine presented written testimony (Attachment 7) which can be found in its entirety on the link shown on page 1 of these minutes.

Chairperson Jordan introduced Chris Gutierrez, President, SmartPort to give his testimony as a proponent of the bill. Mr. Gutierrez presented written testimony (Attachment 8) which can be found in its entirety on the link shown on page 1 of these minutes.

Upon the completion of the testimonies of the proponents of **SB 693**, Chairperson Jordan called the Committee's attention to the "written only" proponent testimony of those listed below and opened the floor for questions and discussion with the proponents of the bill and the Committee.

Stuart Little, Johnson County Board of County Commissioners, (Attachment 9)
David Drovetta, City Council President, City of Gardner, (Attachment 10)

Charles Valenta, Gardner Citizen, ([Attachment 11](#))
Brad Lange, Gardner Citizen, ([Attachment 12](#))
Bob Marcusse, EEO, Kansas City Area Development Council, ([Attachment 13](#))
J. Douglas Bohi, Manager, Genesis Development Team, ([Attachment 14](#))
Trudy Masters-Lange, Gardner Citizen, ([Attachment 15](#))
Pat Burton, Owner, Ironwood Development LLC, ([Attachment 16](#))
Patrick Hubbell, BNSF, ([Attachment 17](#))
Lance Johnson, Developer, Gardner, ([Attachment 18](#))
Phil Perry, Director Governmental Affairs, Home Builders Assoc. of Kansas City, ([Attachment 19](#))

All the testimonies listed above can be found in their entirety on the link shown on Page 1 of these minutes.

A lengthy question and answer discussion session followed. The time frame was discussed and it was noted that the intermodal facility would be completed and in operation at the end of 2010. The shortfall of \$13.9 million was discussed along with the obligation of the State under the bill. There is a \$13 million gap and that was discussed in detail. The number of jobs which will result in this project was discussed and it was noted the starting range of the jobs would be \$13.00 an hour. The discussion continued regarding the obligation of the State.

Upon the conclusion of the questions and answers discussion, Chairperson Jordan introduced Bryan DeMars, a concerned citizen of Gardner, to give his testimony as an opponent of **SB 693**. Mr. DeMars presented written testimony ([Attachment 20](#)) which can be in its entirety on the link shown on page 1 of these minutes.

Upon the completion of Mr. DeMar's testimony, Chairperson Jordan called the Committee's attention to the "written only" opponent testimony of Paul Degener, a concerned citizen of Gardner. ([Attachment 21](#)) which can be found in its entirety on the link shown on page 1 of these minutes.

Chairperson Jordan asked if there was anyone else to testify on **SB 693**, being none, he opened the floor for questions and answers of Mr. DeMars with a short discussion following regarding annexation and abatement.

Chairperson Jordan called on Jason Long, Revisors Office, to explain the balloon **SB 693**. Mr. Long presented written copy of the balloon ([Attachment 22](#)) and Article 11, Section 9 of the Kansas Constitution ([Attachment 23](#)) which can be found in their entirety on the link shown on page 1 of these minutes.

A discussion followed regarding Article 11, Section 9 of the Kansas Constitution.

Chairperson Jordan closed the hearing on **SB 693** and adjourned the meeting at 9:30 a.m. with the next meeting scheduled for March 31, 2008 at 1:00 p.m. in room 431N.

Senate Commerce Committee

Guest List

Date: 3-26-08

Dotty Riley	Koti K Rock For Gardner, KS
LAURA GOURLEY	CITY OF GARDNER
Tom RIEDERER	SW JOHNSON Co. EDC
Bill Shaeed	Allen Group
Pete Heaven	BUSF
Pat Huhleell	"
John C. BOTTENBERG	ALLEN Group
Jean Bohui	Bd of Tech Professionals
Calie Hattle	KS Assn for Justice
CHRIS GUTERREZ	KC SMART PORT
Peter Solie	Gardner Chamber
Terry Heidner	KDOT
Stuart Little	Johnson County
JOE ERSKINE	KDOT
J P SMALL	KDOT
Nick Lehman	KDFA
Mark Borczyk	CAPITOR STRATEGIES
KEVIN GREGG	KMCA
Bill Caudill	The Alliance
Patricia Robinson	THE ALLIANCE
Austin Hayden	Her Car Firm
Cliff Cole	Gardner Resident
Jan Kramer	Center Group
Kent Eckles	O.P. Chambers of Commerce
Dan Murray	Federico Consulting

As Amended by House Committee

Session of 2007

HOUSE BILL No. 2315

By Committee on Commerce and Labor

1-31

10 AN ACT concerning real property; relating to home inspections; requir-
11 ing home inspector registration and certificates.
12

relating to the secretary of state;

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. As used in this section:

15 (a) (1) "Home inspection" means a non-invasive limited visual ex-
16 amination of a residential dwelling of not more than four attached units,
17 or any portion thereof designed to identify material defects at the time
18 of the inspection of three or more of the following readily accessible
19 systems and components:

20 (A) Heating systems;

21 (B) cooling systems;

22 (C) electrical systems;

23 (D) plumbing systems;

24 (E) structural components;

25 (F) foundations;

26 (G) roof coverings;

27 (H) exterior and interior components; and

28 (I) any other components and systems that are part of the residential
29 dwelling and included in the standards of practice followed by the home
30 inspector.

31 (2) The term "home inspection" also includes any consultation re-
32 garding the property that is represented to be a home inspection or that
33 is described by any similar term.

34 (3) The term "home inspection" does not include:

35 (A) A compliance inspection for any code or governmental regulation;

36 (B) an examination for the conditions and operation of kitchen-type
37 appliances, on-site water supplies or wells, private waste systems, the
38 determination of the presence of wood-destroying organisms or pests, or
39 the presence of fungi, mold, bacteria, asbestos, lead-based paint, gases or
40 conditions of air quality; and

41 (C) an examination and evaluation of only two or less of the compo-
42 nents listed in section (a)(1).

43 (b) "Home inspector" means an individual who performs a home in-

Senate Commerce Committee
March 26, 2008
Attachment 1-1

1-2

1 spection as defined by this act.

2 (c) "Home inspection report" means a written report on the results
3 of a home inspection which is issued for a home inspection. The report
4 shall include the following:

5 (1) A clear identification and description of those systems, structures
6 or components which were inspected;

7 (2) a clear identification and description of those systems, structures
8 or components designated to be inspected under the standards of practice
9 approved by the ~~board~~ and which were not inspected, and the reason why
10 they were not inspected;

secretary

11 (3) a clear identification and description of any material defects found
12 to be in need of repair, including any recommendations for further eval-
13 uation; and

14 (4) a completed pre-inspection agreement.

15 (d) **"Pre-inspection agreement" means a written contract be-**
16 **tween a customer and a home inspector to do a home inspection.**

17 (e) "Pre-inspection notice" means a document which shall be pro-
18 vided to a customer prior to the start of the home inspection. The pre-
19 inspection notice shall contain, at a minimum, the following information:

20 (1) A clear description of the scope of the home inspection;

21 (2) a clear description of any limitations on the liability of the home
22 inspector for any errors and omissions which may arise during the home
23 inspection; and

24 (3) an identification of the national home inspection organizations
25 approved by the ~~board~~ which the home inspector is a member of at the
26 time of the home inspection; and

secretary

27 (4) ~~an identification of the standards of practice approved by the~~
28 ~~board~~ which the home inspector will be following during the home
29 inspection.

secretary

30 (e) (f) "Readily accessible" means available for visual inspection with-
31 out requiring the moving of personal property, dismantling, destructive
32 measures or actions that would likely involve risk to persons or property.

33 (f) (g) "Dismantling" means to take apart or remove any component,
34 device or piece of equipment that is bolted, screwed or fastened by any
35 other means and that would not be taken apart or removed by a hom-
36 eowner in the course of normal and routine household maintenance.

37 (g) (h) "Material defect" means any condition that significantly af-
38 fects the value, habitability or safety of the dwelling. Style, cosmetic de-
39 fects or aesthetics shall not be considered in determining whether a sys-
40 tem, structure or component is materially defective.

41 (h) (i) ~~"Board" means the Kansas home inspectors registration board.~~

"Secretary" means the secretary of state.

42 (i) (j) "Registrant" means any person registered as a home inspector
43 under this act.

1-3

1 (j) (k) "Applicant" means any person who is applying for registration
2 or renewal of registration under this act.

3 Sec. 2. This act shall apply to all individuals who conduct home in-
4 spections for compensation, but shall not apply to the following individ-
5 uals who are specifically exempted from registration under this act:

6 (a) A tradesman or contractor performing a single component or sys-
7 tem evaluation or a combination of any two systems or components listed
8 in section 1 (a)(1)(A)-(I) while acting within the scope of that occupation;

9 (b) an individual employed by the state or a political subdivision of
10 the state who, within the scope of such employment and in the discharge
11 of such public duties, inspects property or buildings for compliance with
12 requirements safeguarding life, health or property;

13 (c) an individual licensed by the state as an architect while acting
14 within the scope of that license;

15 (d) an individual licensed by the state as a professional engineer while
16 acting within the scope of that license ~~as long as the individual is not~~
17 ~~providing services which would constitute a home inspection as defined~~
18 ~~by this act;~~

19 (e) an individual licensed by the state as a real estate appraiser while
20 acting within the scope of that license;

21 (f) an individual licensed by the state as a real estate broker or sales-
22 person while acting within the scope of that license;

23 (g) an individual employed as an insurance adjuster while acting
24 within the scope of that occupation;

25 (h) **an individual licensed as a manufactured home manufac-**
26 **turer while acting within the scope of that license;**

27 (i) **an individual employed by a manufactured home manufac-**
28 **turer while acting within the scope of that occupation;**

29 (j) **a modular home manufacturer or modular home manufac-**
30 **turer's representative reviewing a residential dwelling built by the**
31 **manufacturer for the purpose of evaluating the residential**
32 **dwelling;**

33 (k) an individual licensed as a manufactured home dealer while acting
34 within the scope of that license;

35 (l) an individual employed as a manufactured home installer while
36 acting within the scope of that occupation;

37 (j) (m) **an individual licensed by the state as an insurance agent**
38 **while acting within the scope of that license;**

39 (n) a homebuilder or homebuilder's representative reviewing a resi-
40 dential dwelling built by the homebuilder for the purposes of evaluating
41 the residential dwelling ~~prior to the dwelling's first transfer of ownership;~~
42 and

43 (o) an individual employed as a pest exterminator or chemical

, or an individual retained by an insurance company while acting within the scope of the
Kansas insurance code

1 applicator while acting within the scope of that occupation and not pro-
2 viding services which would constitute a home inspection under this act.

3 ~~[Sec. 3. (a) There is hereby established the Kansas home inspectors~~
4 ~~registration board. The purpose of the board is to administer and enforce~~
5 ~~the provisions of this act, promote consumer protection, ensure profes-~~
6 ~~sional competency and ensure the presence of a viable home inspection~~
7 ~~industry in this state.~~

8 (b) ~~The board shall consist of five members to be appointed by the~~
9 ~~governor as follows:~~

10 (1) ~~Three members shall be home inspectors who have actively been~~
11 ~~engaged in the practice of home inspections for at least five years im-~~
12 ~~mediately preceding their appointment and have completed at least 1,000~~
13 ~~fee paid home inspections;~~

14 (2) ~~one member shall be a licensed real estate salesperson or broker;~~
15 ~~and~~

16 (3) ~~one member shall be an at large member who is neither a home~~
17 ~~inspector nor a licensed real estate salesperson or broker.~~

18 (e) ~~Prior to September 1, 2007 **2008**, the governor shall appoint the~~
19 ~~initial board members as specified in subsection (b). The board shall hold~~
20 ~~its first meeting prior to January 1, 2008 **2000**. Following the first meeting~~
21 ~~of the board, the newly elected chairperson shall serve for a term of three~~
22 ~~years, the vice chairperson shall serve for a term of three years, the sec-~~
23 ~~retary shall serve for a term of two years and the remaining board mem-~~
24 ~~bers shall serve for a term of one year. After these initial terms have been~~
25 ~~completed, the board members shall serve terms as specified in subsec-~~
26 ~~tion (d).~~

27 (d) ~~Board members shall serve three year terms, with no board mem-~~
28 ~~ber serving more than two consecutive terms of office. Upon the expi-~~
29 ~~ration of the term of office of any member, the governor shall appoint a~~
30 ~~successor meeting the qualifications under this act. Each board member~~
31 ~~shall serve until a successor is appointed and qualified. There shall be at~~
32 ~~all times at least one board member from each congressional district in~~
33 ~~the state of Kansas.~~

34 (e) ~~In the event of a vacancy in the membership of the board for any~~
35 ~~reason other than expiration of a board member's term of office, the~~
36 ~~governor shall appoint a successor meeting the qualifications of this act~~
37 ~~to fill the unexpired term.~~

38 (f) ~~At the first board meeting each year, the board shall elect from~~
39 ~~its membership the following officers: Chairperson, vice chairperson and~~
40 ~~secretary. The officers shall serve 12 month terms. A person may serve a~~
41 ~~maximum of two consecutive terms as an officer in each respective po-~~
42 ~~sition. The officers shall have the following duties:~~

43 (1) ~~The chairperson shall preside over all meetings.~~

1 ~~(2) The vice chairperson shall preside over meetings in the absence~~
2 ~~of the chairperson.~~

3 ~~(3) The secretary shall be responsible for:~~

4 ~~(A) Preparation, publication and maintenance of the minutes of the~~
5 ~~board meetings;~~

6 ~~(B) preparation of correspondence and conduct of administrative~~
7 ~~support as the chairperson may direct or as may be prescribed in the rules~~
8 ~~and regulations of the board;~~

9 ~~(C) maintaining the permanent records of the board. The secretary~~
10 ~~of state shall be the custodian of all permanent records of the board.~~

11 ~~(g) Upon determining that adequate resources are available, the~~
12 ~~board may appoint an executive secretary who shall be in the unclassified~~
13 ~~service of the Kansas civil service act. The executive secretary shall receive~~
14 ~~an annual salary which shall be fixed by the board and approved by the~~
15 ~~state finance council.~~

16 ~~(h) The board may employ such other employees as may be neces-~~
17 ~~sary, fix salaries of all its employees and make such other expenditures as~~
18 ~~are necessary to properly carry out the provisions of this act.~~

19 ~~(i) Each board member shall be paid compensation, subsistence al-~~
20 ~~lowances, mileage and other expenses as provided in K.S.A. 75-3223, and~~
21 ~~amendments thereto.~~

22 ~~(j) The board shall hold meetings in such places as it shall determine~~
23 ~~and at such times as it may designate or on request of two or more of its~~
24 ~~members. A majority of the members of the board shall constitute a~~
25 ~~quorum.~~

26 ~~(k) Applications for original registration and renewal of registration~~
27 ~~shall be made in writing or by electronic filing to the board on forms~~
28 ~~approved by the board and shall be accompanied by the appropriate fees~~
29 ~~prescribed by the board.]~~

30 Sec. 4. ~~(a) The secretary shall remit all moneys received [by or for the~~
31 ~~board] from fees, charges or penalties to the state treasurer in accordance~~
32 ~~with the provisions of K.S.A. 75-4215, and amendments thereto. Upon~~
33 ~~receipt of each such remittance, the state treasurer shall deposit the entire~~
34 ~~amount in the state treasury and the balance shall be credited to the home~~
35 ~~inspectors registration fee fund, which is hereby established. All expend-~~
36 ~~itures from such fund shall be approved by the board shall be made in~~
37 **accordance with appropriations acts upon warrants of the director**
38 **of accounts and reports issued pursuant to vouchers approved by**
39 **the board or by a person or persons designated by the board.**

secretary

40 Sec. 5. The board shall have the following duties and powers:

- 41 (a) Administer and enforce the provisions of this act;
- 42 (b) approve and adopt the standards of practice of nationally-recog-
- 43 nized home inspection associations which meet the requirements of this

- 1 act;
- 2 (c) register qualified applicants as home inspectors pursuant to this
- 3 act;
- 4 (d) suspend, revoke or fail to renew the registration of a home in-
- 5 spector under this act;
- 6 (e) make all necessary investigations into the qualifications of an ap-
- 7 plicant and registrant;
- 8 (f) approve examinations to determine the qualifications of applicants
- 9 for registration; and
- 10 (g) adopt all rules and regulations which are necessary to carry out
- 11 the provisions of this act.

secretary

12 Sec. 6. (a) The board may deny, suspend or revoke a registration, or

13 may impose probationary conditions on a registrant or applicant if the

14 registrant or applicant has engaged in any of the following conduct:

- 15 (1) Making a materially false or fraudulent statement in an application
- 16 for registration or renewal;
- 17 (2) been convicted of or plead guilty or nolo contendere in a court of
- 18 competent jurisdiction to forgery, fraud, conspiracy to defraud or any
- 19 similar offense or offenses;
- 20 (3) intentionally falsifying a home inspection report;
- 21 (4) failing to perform a home inspection in accordance with the stan-
- 22 dards of practice approved by the board and followed by the home in-
- 23 spector; and

secretary

24 (5) violating any provision of this act or rules and regulations prom-

25 ulgated by the board pursuant to this act.

adopted

26 (b) In addition to or in lieu of any other administrative, civil or crim-

27 inal remedy provided by law, the board, in accordance with the Kansas

28 administrative procedures act and upon a finding that a registrant has

29 violated a provision of this act or rules and regulations adopted hereunder,

30 may impose on such registrant a civil fine not to exceed \$500 for each

31 violation.

secretary

32 Sec. 7. The board shall adopt rules and regulations fixing the

33 amounts of fees provided for by this act, subject to the following: For an

34 application for an original registration, the amount may not exceed \$200,

35 and for renewal of registration the amount may not exceed \$200. Other

36 fees may be set in the amount determined by the board.

37 Sec. 8. (a) The attorney general shall provide as an attorney for the

secretary

38 board and shall represent the board in all actions and proceedings brought

39 by or against the board. The board may hire independent counsel when

40 the board deems appropriate. All fees and expenses of such independent

41 counsel arising out of the performance of duties for the board shall be

42 paid out of the home inspectors registration fee fund.

43 Sec. 9. The home inspector shall be prohibited from performing any

1 of the following acts as part of the home inspection:

2 (a) ~~Performing or offering to perform for an additional fee any re-~~
3 ~~pairs, remodeling or other type of remedial work to the dwelling for which~~
4 ~~the home inspector has prepared a home inspection report within the last~~
5 ~~12 months;~~

6 (b) ~~inspecting~~ **Inspecting** for a fee any property in which the home
7 inspector has any personal interest unless the interest is disclosed in writ-
8 ing to the client before the home inspection is performed and the client
9 signs an acknowledgment of receipt of the disclosure;

10 (e) (b) offering or delivering any commission, referral fee or kickback
11 for the referral of any business to the home inspector; and

12 (d) (c) accepting an engagement to perform a home inspection or to
13 prepare a home inspection report in which the employment itself or the
14 fee payable for the inspection is contingent upon the conclusions in the
15 home inspection report, pre-established or prescribed findings or the
16 closing of the underlying real estate transaction.

17 Sec. 10. On and after July 1, ~~2008~~ **2009**, all individuals performing
18 home inspections as defined under this act in the state of Kansas shall be
19 required to file a written registration with the ~~board~~. All registrants must:

secretary

20 (a) Be at least 18 years of age;

21 (b) have successfully completed high school or its equivalent;

, unless such individual is engaged in the practice of performing home inspections on
the effective date of this act

22 (c) submit proof of current general liability insurance coverage ~~in an~~
23 ~~amount of \$250,000 or more;~~

24 (d) submit proof of a fidelity bond to cover dishonesty in an amount
25 not less than \$10,000 providing that the fidelity bond may not be termi-
26 nated without 30 days prior written notice to the ~~board~~;

secretary

27 (e) submit proof of financial responsibility by one of the following:

28 (1) A policy of errors and omissions insurance coverage;

29 (2) a surety bond in an amount not less than \$10,000, providing that
30 the surety bond may not be terminated without 30 days prior written
31 notice to the ~~board~~;

secretary

32 (3) an irrevocable letter of credit not less than \$10,000 issued by a
33 bank which is insured by the federal deposit insurance corporation or its
34 successor if such letter of credit is initially issued for a term of at least
35 one year and by its terms is automatically renewed at each expiration date
36 for at least an additional one-year term unless at least 30 days prior written
37 notice of intention not to renew is provided to the ~~board~~; or

secretary

38 (4) the maintenance of a minimum balance of \$10,000 in an escrow
39 account in a Kansas financial institution as defined in K.S.A. 16-117, and
40 amendments thereto, provided that the escrow account shall maintain the
41 minimum balance through the term of the registrant's registration as a
42 home inspector. The ~~board~~ shall be notified in writing by the financial
43 institution within 10 days if the amount in the escrow account falls below

secretary

1 the \$10,000 minimum balance. Upon notification, the ~~board~~ shall suspend
2 such registrant's registration as a home inspector until the escrow account
3 minimum balance is restored to greater than or equal to \$10,000;

4 ~~(e) submit proof of membership in good standing in either:~~
5 ~~—(1) The American society of home inspectors (ASHI);~~
6 ~~—(2) the national association of home inspectors (NAHI); or~~
7 ~~—(3) the national association of certified home inspectors (NACHI);~~
8 and

9 (f) **submit proof of membership in good standing in one or**
10 **more nationally recognized society, association or organization**
11 **that provides for membership of individuals engaged in home in-**
12 **spections as recognized by the board; and**

13 (g) have successfully completed and passed a written or electronic
14 exam as approved by the ~~board~~ and proctored by a testing organization
15 approved by the ~~board~~;

16 ~~(g)~~ (h) annually obtained a minimum of 16 hours of continuing ed-
17 ucation by completing courses approved by the ~~board~~; and

18 ~~(h)~~ (i) have satisfied one of the following requirements:
19 (1) Have successfully completed and passed a course of study con-
20 taining at least 80 hours of classroom and field training offered by an
21 educational provider approved by the ~~board~~; or

22 (2) have been actively engaged in the practice of conducting home
23 inspections for not fewer than three years prior to the effective date of
24 this act and have completed not less than 300 fee-paid home inspections.

25 Sec. 11. (a) It is the duty of all home inspectors registered under this
26 act to conduct home inspections with the degree of care that a reasonably
27 prudent home inspector would exercise under the circumstances.

28 (b) All home inspections shall be conducted according to standards
29 of practice and a code of ethics approved by the ~~board~~.

30 (c) No home inspector may include, as a term or condition in an
31 agreement to conduct a home inspection, any provision that disclaims the
32 liability for any errors and omissions which may arise during a home
33 inspection, or limit the amount of damages for liability for any errors and
34 omissions which may arise during a home inspection to less than \$1,000
35 **\$10,000** in the aggregate for each home inspection **and such term or**
36 **condition or limitation setting the liability at an amount greater**
37 **than \$10,000 must be provided to the customer in writing to be in**
38 **effect.**

39 (d) An action to recover damages for any act or omission of a home
40 inspector relating to a home inspection or home inspection report must
41 be brought not more than 12 months from the date the home inspection
42 was performed and may be initiated only by a party to the real estate
43 transaction for which the home inspection was conducted.

secretary

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5-1

1 (e) In any action to recover damages for any error or omission of a
 2 home inspector relating to a home inspection or home inspection report,
 3 a home inspector is liable for any errors and omissions which may arise
 4 during a home inspection in an amount ~~of not to exceed \$1,000~~ **\$10,000**
 5 in the aggregate for each home inspection, **or to the amount in the pre-**
 6 **inspection agreement to conduct a home inspection, if greater**
 7 **than \$10,000 in the aggregate for each home inspection, provided**
 8 **that a home inspector provides the customer with a clear written**
 9 **description in the pre-inspection agreement of any greater limi-**
 10 **tations on the liability of the home inspector for any errors and**
 11 **omissions which may arise during the home inspection.**

12 Sec. 12. (a) No individual shall advertise themselves as a home in-
 13 spector unless the individual has complied with the provisions of this act.
 14 Individuals who are exempt from registration under this act or whose
 15 actions are considered to be a home inspection under this act may not
 16 hold themselves out to be home inspectors or use words or titles that may
 17 reasonably be confused with the title of "home inspector" or "house in-
 18 spector" unless they are registered as a home inspector pursuant to this
 19 act.

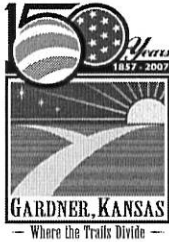
20 (b) All advertisements, contracts, correspondence and other docu-
 21 ments prepared by an individual performing home inspections under this
 22 act shall indicate the home inspector's registration number, name and
 23 address as registered with the ~~board~~.

secretary

24 Sec. 13. Any individual performing home inspections as defined in
 25 this act or assisting any person to perform home inspections outside the
 26 guidelines of this act shall constitute a class A misdemeanor and will be
 27 subject to all the legal remedies and penalties thereof.

28 Sec. 14. This act shall be cited as the Kansas home inspectors pro-
 29 fessional competence and financial responsibility act.

30 Sec. 15. This act shall take effect and be in force from and after its
 31 publication in the statute book.



TESTIMONY

to
**KANSAS SENATE
SENATE COMMERCE COMMITTEE**

Laura Gourley, Finance Director, City of Gardner, Kansas on behalf of Mayor Carol Lehman and the Gardner City Council

**March 26, 2008
Senate Bill 693**

The Honorable Karen Brownlee, Co-Chairperson, The Honorable Nick Jordan, Co-Chairperson and Members of the Senate Commerce Committee:

Gardner wishes to express its support of SB 693. The Mayor, representatives from our City Council, the Assistant City Administrator, along with other representatives of the City of Gardner, Johnson County, the City of Edgerton, the Kansas Department of Transportation and others are in the Chicago area to view intermodal and related warehouse developments and meet with several Chicago metropolitan communities for the express purpose of increasing all involved entities' understanding of the impact an intermodal facility and associated warehousing have on transportation and site development and community planning. Unfortunately, this trip has been planned for over a month and with the upcoming annexation request, should the State Legislature act in favor of SB 693, time is a constraint. The Mayor and City Council express their deepest regret for not attending in person and respectfully request that you accept their testimony as presented by their representatives, Laura Gourley, Finance Director for the City of Gardner and Dotty Riley, City Bond Counsel of Kutak Rock.

Nearly 2 years ago, in the summer of 2006, the Mayor formed a task force known as the Intermodal Review Committee comprised of members of the business communities of both Gardner and the nearby community of Edgerton, elected officials of both Gardner and Edgerton, a representative from the school district, and citizens.

Following 10 weeks of study, public meetings, communication by citizens via the City's website, and presentations from both opponents and proponents of the project to the committee, the committee presented recommendations to the Gardner City Council and Gardner Planning Commission. Due, in part, to the relatively small size of our community and its resources, one of the key recommendations of the Committee was that revenues from the proposed development must pay for the infrastructure required for this project.

After much negotiation and coordination between the City of Gardner, The Allen Group, and Burlington Northern Santa Fe, at a Special City Council meeting on March 12th, the Gardner City Council approved a conceptual financial plan to pay for the \$63,300,000 in public infrastructure needed to support the BNSF Intermodal/KC Logistics Park. Adoption and utilization of SB 693 is a vital component of this financing plan.

Senate Commerce Committee

March 26, 2008

Attachment 2-1

Sources of revenue have been identified for approximately \$49,400,000 of the needed \$63,300,000 including the City of Gardner allocating the City excise tax, developer fees, and its utility sales tax and franchise tax revenues to the project. The conceptual finance plan approved by the City Council also included an 85% property tax abatement for 10 years for each of the warehouses to be built in the Logistics Park adjoining the intermodal facility and the payment of fees by the developer to be used to pay for a portion of the costs of the projects equal to 35% of their property taxes. Johnson County, too, is contributing significantly to the project by allocating their utility sales taxes and various road assistance dollars to the project.

The Development:

BNSF and the Allen Group anticipate spending approximately \$715,900,000 in developing 1,000 acres into an intermodal facility and a logistics park with 7 million square feet of warehousing over the next ten years, which is the anticipated time frame for the build out of all of the warehouses. This site is primarily located between 56 Highway and 191st Street, and between Waverly and Four Corners Road, currently just outside of Gardner's city limits.

The plans include the State of Kansas funding \$20,000,000 to build a new interchange in 2013 for I-35 somewhere between Waverly Road and Homestead Road and funding \$2,000,000 of improvements to the existing Gardner Road interchange to improve ramps and provide traffic signals in 2009. The Gardner Road interchange will be the main access for trucks serving the intermodal facility until the new interchange is built.

In order to accommodate this regional development, \$63,300,000 of local roads and utility infrastructure also need to be constructed. These roads will be primarily two lane, open ditch roads that are common in the unincorporated areas of Johnson County. Traffic studies have shown that this is appropriate for the projected traffic. The conceptual financing plan includes the following projects:

2009 Projects:

• 191 st Street – 188 th near Gardner Rd. to Four Corners	\$ 9,100,000
• Waverly Road – 56 Highway to 191 st (with S. Bridge and 56 Highway intersection improvements)	\$12,200,000
• Center Street Bridge (2 lane replacement)	\$ 3,900,000
• Center Street Bridge (2 additional lanes)	\$ 2,500,000
• 183 rd St. – Poplar to Waverly	\$ 1,000,000
• 191 st Loop Connection (prelim work)	\$ 300,000
• Wastewater Utilities (lift station, force main) (Water lines are in road costs)	\$ 1,500,000
• Quiet Zones (Poplar, Grand, other)	\$ 1,200,000
• Contingency for projects	\$ 1,300,000
• City of Edgerton Grade Separation	<u>\$ 5,000,000</u>
2009 Total	<u>\$38,000,000</u>

2013 Projects

• Road from new interchange to 191 st St.	\$ 4,200,000
--	--------------

2015 Projects

• Waverly North Bridge	\$ 4,400,000
• 191 st St. Loop connection underpass	\$ 7,300,000
• White Drive underpass	<u>\$ 5,000,000</u>
2015 Total	<u>\$16,700,000</u>

2009-2019

- City Maintenance and Services (NPV*) \$ 4,400,000
This includes road maintenance (overlay, annual patching, snow and ice control), and public safety response.

Total \$63,300,000

*(NPV) Net present value – the value of collecting monies over time and reflecting them in today's dollars for comparison purposes.

Sources of Revenue:

A significant part of the funding for the projects will come from fees paid by the developer to the City as the development progresses.

Allen Group (Warehouse Developer):

- Excise (NPV) \$ 3,800,000
 - Developer fees (NPV) \$16,900,000
 - Additional Funding \$ 1,000,000
- Allen Group Total \$21,700,000

BNSF Railroad:

- Net direct funding \$ 7,000,000
BNSF will provide \$13,000,000 in direct funding up front with \$6,000,000 to be repaid over time.

Total Private Funding of Public Infrastructure \$28,700,000

City/County/Federal Funding Sources:

- City utility sales and franchise taxes (NPV) \$10,600,000
 - County utility sales taxes (NPV) \$ 1,000,000
 - County CARS FAU match \$ 2,500,000
 - Federal FAU match \$ 6,600,000
- Total Government Funding of Public Infrastructure \$20,700,000

Total Sources of Revenue \$49,400,000

The private sector is providing an estimated 58% of the identified revenues to pay for these projects. This is more than is asked of other developers in Gardner as well as in other cities in the Kansas City region.

Bridge the Gap:

This current plan has a gap between expenses and revenues:

Total Public Infrastructure	\$63,300,000
Total Revenue	- <u>\$49,400,000</u>
Funding Gap	\$13,900,000

Various sources are being explored to close this gap including grants or other direct funding. Several funds have been tentatively identified as possible sources. As with any budget, if new revenues are not found to close the gap some of the projects will have to be deferred until such time as funding permits. Examples of possible projects to defer are listed below:

Center Street bridge - additional two lanes (2009)	\$ 2,500,000
Other projects – contingency (2009)	\$ 1,300,000
Edgerton Grade separation (2009)	\$ 5,000,000
Waverly North Bridge (2015)	\$ 4,400,000
White Drive Underpass (2015)	\$ 5,000,000
191 st St. Loop connection underpass (2015)	\$ 7,300,000

At this point, the City Council has given all it can provide to the project without impacting current residents and businesses. Further, there is not enough capacity under the City's statutory debt limit to allow for the City to issue any type of general obligation debt nor to enter into any other financing arrangement that involves the City's general obligation backing for a project of this size; the City needs to retain what debt capacity it has to finance other projects in our rapidly growing city.

With the private sector providing an estimated 58% of the identified revenues to pay for these projects, and with Gardner and Johnson County contributing the remaining 42%, both sides feel they have contributed significantly to the success of the project. However, Gardner's City Council is ever mindful of the limited financial resources of our small community for a project of this size. Although revenue streams have been identified to repay any forthcoming loans from this act, if approved by the Legislature, the actual cash flow for repayment is wholly dependent on how quickly the Logistics Park develops. Because the State of Kansas will receive significant financial benefits from this proposed development, the City of Gardner is seeking the support of the Kansas Legislature. This support will mitigate the risk to the City and Johnson County by allowing the State to provide credit enhancement of the forthcoming intermodal transportation revolving loans needed to fund the infrastructure. The support of Legislature is necessary to assure the success of this major economic development project which will have positive financial impact throughout the State of Kansas.

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March 26, 2008

The Honorable Karen Brownlee, Co-Chairperson,
The Honorable Nick Jordan, Co-Chairperson
and Members of the Senate Commerce Committee
Statehouse, Room 123-S
Topeka, KS 66612

Re: Senate Bill No. 693

Ladies and Gentlemen:

As bond counsel to the city of Gardner, we are recommending, on its behalf, adoption of Senate Bill No. 693 ("SB 693"), with the revisions attached to this testimony. The bill provides much needed assistance to the City for financing roads, highways, culverts and similar improvements to support the projected traffic from the intermodal hub and warehouse facilities proposed to be constructed in the Gardner area.

SB 693 authorizes the Secretary of Transportation to establish an intermodal transportation revolving fund to assist government units, such as the city of Gardner, to finance bridge, culverts, highway, road and street projects within an intermodal transportation area. SB 693 and the mechanics of the intermodal transportation fund are largely the same as the existing State transportation revolving fund program. The existing transportation revolving fund program, however, requires local governments, which borrow from the fund, to either secure their loans with general obligation backing or acquire bond insurance on the loan. General obligation backing of the financing that will be required for improvements required for the proposed intermodal hub and associated warehouse facilities is not feasible for the City of Gardner for a project of this size. SB 693 will permit bonds for the types of projects previously mentioned in connection with large intermodal facilities without the necessity of a local government general obligation pledge or bond insurance on the loan.

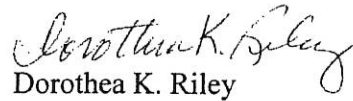
We believe SB 693 will help provide a financing tool to assist local governments to work with the State and private entities to provide local, regional and state-wide economic development associated with the proposed intermodal transportation hub to be located in the Gardner area.

KUTAK ROCK LLP

The Honorable Karen Brownlee, Co-Chairperson,
The Honorable Nick Jordan, Co-Chairperson
and Members of the Senate Commerce Committee
March 26, 2008
Page 2

If we may be of any assistance to the committee on this matter, please let me know.

Very truly yours,


Dorothea K. Riley

SENATE BILL No. 693

By Committee on Federal and State Affairs

3-19

9 AN ACT concerning transportation; relating to intermodal transportation
10 projects, and providing for the financing thereof.

11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. The secretary of transportation is hereby authorized to
14 establish an intermodal transportation revolving fund to provide assis-
15 tance to governmental units for intermodal transportation projects.

16 Sec. 2. As used in sections 1 through 7, and amendments thereto:

17 (a) "Cost" means as applied to any qualified project, any or all costs,
18 whenever incurred, approved by the department, for carrying out a qual-
19 ified project;

20 (b) "department" means the department of transportation, estab-
21 lished under K.S.A. 75-5001, and amendments thereto;

22 (c) "fund" means the Kansas intermodal transportation revolving
23 fund established by section 4, and amendments thereto;

24 (d) "governmental unit" means any town, city, district, county, com-
25 mission, agency, authority, board or other instrumentality of the state or
26 of any of its political subdivisions, including any combination thereof,
27 which is responsible for the construction, ownership or operation of a
28 qualified project;

29 (e) "intermodal facility" means an intermodal facility developed pri-
30 marily to handle the transfer, storage and distribution of freight through
31 railway and trucking operations with a cost in excess of \$175,000,000;

32 (f) "intermodal transportation area" means an area including an in-
33 termodal facility and ~~property adjacent to such intermodal facility, as ap-~~
34 ~~proved by the secretary;~~ ^{projected}

35 (g) "intermodal transportation project" means any bridge, culvert,
36 highway, road, street or combination thereof located within an intermodal
37 transportation area;

38 (h) "private enterprise" means a private person or entity that has
39 entered into a contract with a public authority to design, finance, con-
40 struct or operate a qualified project that is within the jurisdiction of such
41 public authority;

42 (i) "project" means the acquisition, construction, improvement, re-
43 pair, rehabilitation, maintenance or extension of transportation facilities;

projected

such additional areas certified by the secretary to be impacted by

intermodal

projects

and by the city or county in which the qualified project is located to be of local importance;

1 (j) "project costs" means all costs or expenses which are necessary or
 2 incident to a qualified project and which are directly attributable thereto;
 3 (k) "qualified borrower" means any governmental unit or private en-
 4 terprise which is authorized to construct, operate or own a qualified
 5 project;
 6 (l) "qualified project" means any public or private intermodal trans-
 7 portation project, including, without limitation, the construction, recon-
 8 struction, resurfacing, restoration, rehabilitation or replacement of public
 9 or private transportation facilities within the state, that is determined by
 10 the secretary to be of statewide as well as local importance;
 11 (m) "revenues" means when used with respect to the department,
 12 any receipts, fees, revenues or other payments received or to be received
 13 by the department under sections 1 through 7, and amendments thereto;
 14 and
 15 (n) "secretary" means the secretary of the department of
 16 transportation.
 17 Sec. 3. (a) The secretary shall administer the provisions of sections
 18 1 through 7, and amendments thereto, and shall be responsible for the
 19 administration and management of the fund, and shall have the power to
 20 enter into agreements and contracts and to transfer money between the
 21 state highway fund and the fund as required to effect the purposes of
 22 sections 1 through 7, and amendments thereto.
 23 (b) The secretary shall adopt rules and regulations, to carry out the
 24 purposes and provisions of sections 1 through 7, and amendments
 25 thereto.
 26 Sec. 4. (a) There is hereby established in the state treasury a fund to
 27 be known as the Kansas intermodal transportation revolving fund which
 28 shall consist of the following:
 29 (1) Amounts appropriated or otherwise made available by the legis-
 30 lature for the purposes of the fund;
 31 (2) the proceeds, if any, from the sale of bonds issued pursuant to
 32 section 5, and amendments thereto, for the purposes of the fund to the
 33 extent provided in any agreement entered into between the secretary and
 34 the Kansas development finance authority;
 35 (3) amounts of repayments made by qualified borrowers of loans re-
 36 ceived under sections 1 through 7, and amendments thereto, together
 37 with payments of interest thereon, in accordance with agreements en-
 38 tered into between such qualified borrowers and the secretary;
 39 (4) amounts earned on moneys in the fund;
 40 (5) amounts contributed or otherwise made available by any public
 41 or private entity for use in effectuating the purposes of the fund;
 42 (6) amounts transferred by order of the secretary from the state high-
 43 way fund; and

1 (7) any other amounts as may be made available for purposes of the
2 fund.

3 (b) Subject to the provisions of sections 1 through 7, and amendments
4 thereto, expenditures from the fund shall be made for the following
5 purposes:

6 (1) For the payment of the principal, including sinking fund payments
7 of and premium, if any, and interest on bonds issued pursuant to sections
8 1 through 7, and amendments thereto;

9 (2) for providing financial assistance to qualified borrowers to finance
10 qualified projects;

11 (3) for the maintenance of, or provision for, any reserves, additional
12 security, insurance or other form of credit enhancement to secure such
13 bonds required or provided for in any trust agreement entered into pur-
14 suant to sections 1 through 7, and amendments thereto;

15 (4) to guarantee, purchase insurance or provide other credit enhance-
16 ment for bonds of qualified borrowers issued to finance the costs of qual-
17 ified projects;

18 (5) to provide reserves for or otherwise secure bonds issued pursuant
19 to sections 1 through 7, and amendments thereto, and to provide insur-
20 ance or other credit enhancement for such bonds;

21 (6) to provide reserves for, or to otherwise secure, amounts payable
22 by qualified borrowers on loans made by and leases with the department
23 in the event of default by a particular qualified borrower or, on a parity
24 basis, by any qualified borrower;

25 (7) to provide a subsidy for, or to otherwise assist, qualified borrowers
26 in the payment of debt service costs on loans made by the department
27 hereunder;

28 (8) for administrative costs of the fund or for any of the foregoing;

29 (9) the transfer of money by order of the secretary to the state high-
30 way fund; and

31 (10) the transfer of money by order of the secretary to the state gen-
32 eral fund.

33 Sec. 5. (a) The activities of the department in administering and per-
34 forming the powers, duties and functions prescribed by the provisions of
35 sections 1 through 7, and amendments thereto, are hereby approved for
36 the purposes of subsection (b) of K.S.A. 74-8905, and amendments
37 thereto, and the authorization of issuance of bonds by the Kansas devel-
38 opment finance authority in accordance with that statute. The provisions
39 of subsection (a) of K.S.A. 74-8905, and amendments thereto, shall not
40 prohibit the issuance of bonds for such purposes when so authorized and
41 any such issuance of bonds is exempt from the provisions of subsection
42 (a) of K.S.A. 74-8905, and amendments thereto.

43 (b) The debt service for any bonds issued pursuant to this section

1 shall be paid from revenues, including loan repayments received from
2 qualified borrowers under agreements entered into pursuant to sections
3 1 through 7, and amendments thereto, or from any other amounts avail-
4 able in the Kansas intermodal transportation revolving fund pursuant to
5 section 4, and amendments thereto, including appropriations of moneys
6 from the state general fund.

7 (c) Neither the state nor the department shall have the power to
8 pledge the full faith and credit or taxing power of the state of Kansas for
9 such purposes and any payment by the department for such purpose shall
10 be subject to and dependent on appropriations by the legislature. Any
11 obligation of the state or the department for payment of debt service on
12 bonds issued pursuant to this section shall not be considered a debt or
13 obligation of the state for the purpose of section 6 of article 11 of the
14 Kansas constitution.

(d) No governmental unit is authorized to pledge its full faith and credit or taxing powers for the purpose of repayment of loan under this act.

15 Sec. 6. (a) Qualified borrowers which desire assistance in the form
16 of a loan, credit enhancement or grant under sections 1 through 7, and
17 amendments thereto, shall submit an application therefor to the secretary.
18 Applications shall be in such form and shall include such information as
19 the secretary shall require and shall be submitted in a manner and at a
20 time to be determined by the secretary.

21 (b) The secretary may enter into agreements with any qualified bor-
22 rower for payment of all or a part of project costs. All moneys received
23 by the secretary pursuant to such agreements shall be deposited in the
24 Kansas intermodal transportation revolving fund.

25 (c) The secretary shall provide any governmental unit, upon its re-
26 quest, with technical advice and assistance regarding a project or an ap-
27 plication for assistance. The secretary may assess reasonable fees for pro-
28 viding such assistance.

with the secretary

29 (d) Any governmental unit may enter into agreements and may accept
30 assistance as provided in this section when so authorized by its governing
31 body.

32 Sec. 7. (a) Upon the failure of a governmental unit to meet the re-
33 payment terms and conditions of an agreement, the secretary may order
34 the state treasurer to pay to the fund such portion of the governmental
35 unit's share of the special city and county highway fund as may be nec-
36 essary to meet the terms of the agreement.

(Statute expired)

37 (b) Any loans received by a governmental unit under the provisions
38 of sections 1 through 7, and amendments thereto, shall be construed to
39 be bonds for the purposes of K.S.A. 10-1116 and 20-5009, and amend-
40 ments thereto, and the amount of such loans shall not be included within
41 any limitation on the bonded indebtedness of the governmental unit.

42 Sec. 8. This act shall take effect and be in force from and after its
43 publication in the Kansas register.

provided this section 7(a) shall not apply if the source of repayment of a loan with a governmental unit, as identified in the agreement, is not received by such governmental unit prior to the loan repayment date.

Testimony
Before the
Senate Commerce Committee
SB 693
March 26, 2008

Good Morning Chairmen Brownlee and Jordan and members of the Committee. My name is Tom Riederer and I am President of the Southwest Johnson County Economic Development Council.

I am here today to speak in favor of SB 693, a bill that will provide support to build infrastructure for the intermodal facility in Gardner, Kansas. This project which has been called one of the largest economic development projects in Kansas in the last 40 years will benefit the whole State.

BNSF and the Allen Group Kansas City will testify about the scope of their projects, but I would like to discuss what will happen beyond that 1,000 acre site. Southwest Johnson County is becoming very active in the logistics market. Last year Kimberly-Clark opened a 450,000 sf distribution facility at the New Century AirCenter. In Olathe there is a 650,000 sf spec building being built by Kessinger Hunter. There is a proposed development by LS Commercial Real Estate before Johnson County at this time which will be approximately 2 million square feet when built out. This is the market response before the intermodal is up and running. Experienced developers have looked at the impact in other areas where intermodals have been built and they are investing in Kansas.

There are thousands of acres that will benefit from the proposed infrastructure improvements. Within this area, in addition to the projects I just mentioned several large parcels of land that have been acquired by private developers. The developers have not announced projects, but these transactions could easily result in another 2 million square feet of development.

A project this size goes beyond the capabilities of Gardner to do on its own. Gardner and Southwest Johnson County communities need infrastructure to optimize the potential of the intermodal and SB 693 builds a partnership to make sure that happens.

I ask for your support and would answer any questions you might have.

Senate Commerce Committee
March 26, 2008
Attachment 4-1



Testimony for the Kansas Senate Commerce Committee

Wednesday, March 26, 2008.

Re: Senate Bill 693

Honorable Chairmen Brownlee and Jordan and Members of the Committee:

My name is Peter Solie, President of the Gardner Area Chamber of Commerce. I am here today representing the Board of Directors of the Chamber. The Board of Directors of the Gardner Area Chamber of Commerce has studied this legislation and voted unanimously to recommend the passage of SB 693 by the Kansas Legislature.

This legislation strikes the necessary balance of risk and investment that permits the city, county, and state to each meet necessary commitments and benefit from substantial new tax revenues. This legislation permits the City of Gardner to proceed with this beneficial development. Without the State's backing of the bonds, the project may not be developed with all of the infrastructure improvements necessary for a cohesive plan to develop a first class asset.

The Gardner Area Chamber of Commerce has been involved with the review of the intermodal facility and logistics park from early in the process. Our former Chair served on the Intermodal Review Committee and we have made policy statements regarding this facility several times over the past two years. Governmental authorities, in cooperation with The Allen Group and BNSF have effectively responded to the many concerns found in the Intermodal Review Committee report including addressing traffic flow, environmental impact and over all impact to the community. We believe the agreement reached by the City of Gardner, The Allen Group, BNSF, Johnson County and the State of Kansas will benefit not only Gardner, but the entire Kansas economy.

We believe that the development concept is valid and beneficial to the diversification of the tax base. We also welcome primary jobs located in our community. Additional primary jobs mean mothers and fathers working just minutes away from their children, providing increased opportunities for school and park and recreation activities with their children. Additionally, local jobs lead to new residents, a stronger day-time economy and increased commercial activity.

We thank you for your consideration of our recommendation in support of SB 693.

I will stand for questions at the appropriate time.

Respectfully submitted,
Peter Solie, President

Senate Commerce Committee

March 26, 2008

Attachment 5-1



**TESTIMONY BEFORE
STATE COMMERCE COMMITTEE**

**REGARDING SENATE BILL 693
Concerning an intermodal transportation revolving fund**

March 26, 2008

Madam/Mr. Co-Chair and Committee Members:

My name is Bill Crandall and I am President of The Allen Group - Kansas City. The Allen Group will be responsible for the development of "Logistics Park Kansas City", an approximate 600 acre warehouse and distribution park, that when fully built out will include over 7.0 Million SF of buildings surrounding the BNSF Intermodal Facility. Over \$466 million will be invested by The Allen Group during the 12-15 absorption period. It is our intention to construct a first class development which meets the needs of the intermodal market and we will also seek out opportunities to be environmentally sensitive through the use of energy efficient and environmentally conscious design.

Today, we are seeking your support for this bill which provides financial backing for bonds that will fund offsite public infrastructure only. Importantly, not One Dollar of these improvements will be directed toward any private improvements. Rather each of the \$63.30 Million dollars will go toward public infrastructure improvements opening up thousands of additional acres of development surrounding the Intermodal Facility. Equally as important, there are many sources of repayment for the bonds including local excise tax, origination fees, direct investment by the private sector, utility and franchise taxes, redirection of county funds and matching federal grants to name a few. So, the State's backing of the bonds is simply a means to aggregate these various sources of repayment such that the initial bonds may be sold and the proceeds from which can be put into use immediately. This will enable a cohesive and complete approach to constructing the infrastructure required to support this economic engine.

Intermodal Facilities, also known as Inland Ports, represent a new level of opportunity and industry within the State of Kansas. The BNSF's Intermodal Facility, combined with Logistics Park Kansas City represents an economic stimulus to the greater Kansas economy. These facilities will be one more asset in your portfolio to market the State, expand business and increase workforce. It is anticipated that the BNSF will deliver their Intermodal Facility near the first quarter of 2010. Similarly, Logistics Park Kansas City will come on line at that same time. It anticipated that one large distribution center will be constructed on a speculative basis.

Again, we are seeking the support of the Kansas Legislature and would stress that (i) we are not seeking the State to provide a direct infusion of cash, but rather we are requesting that the State provide their backing to enable a first class development, (ii) there are multiple sources of repayment that should provide confidence to the State, (iii) unlike many economic development incentives, none of the bond proceeds will go to offset private investment and (iv) finally much work has been done by the City of Gardner, Johnson County, KDOT, BNSF and The Allen Group.....we are all in support of this plan and we are seeking your support as well.

Senate Commerce Committee

March 26, 2008

THE ALLEN GROUP

Attachment 6-1

**TESTIMONY BEFORE
SENATE COMMERCE COMMITTEE**

**REGARDING SENATE BILL 693
Concerning an intermodal transportation revolving fund**

March 26, 2008

Madam/Mr. Co-Chair and Committee Members:

I am Joe Erskine, Deputy Secretary of Finance and Administration for the Kansas Department of Transportation (KDOT), and I am here to provide testimony on Senate Bill 693.

This bill would authorize the Secretary of KDOT to create the Kansas intermodal transportation revolving fund to provide assistance to governmental units for intermodal transportation projects. KDOT would have responsibility for administration and management of this fund.

The proposed intermodal facility near the city of Gardner not only provides for economic development, but also creates a significant amount of public infrastructure needs. Over the past year, KDOT has participated in facilitating a consensus agreement among the local partners, railroad, developer, and others, as to the financing structure to meet these needs. The Kansas Development Finance Authority (KDFFA) and various public authority financial advisors have also provided input to this process.

KDOT supports the creation of this new fund and its proposed structure, which has evolved through this consensus effort and will remain available to continue to facilitate this process.

Thank you for your time, I will gladly stand for questions.

Senate Commerce Committee
March 26, 2008

Attachment 7-1

OFFICE OF THE SECRETARY OF TRANSPORTATION
Dwight D. Eisenhower State Office Building

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SMARTPORT
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Phone: 816.374.5680
Fax: 816.842.2865
www.kcsmartport.com

TESTIMONY BEFORE THE
KANSAS SENATE
COMMERCE COMMITTEE
In support of SB 693

March 26, 2008

SUBMITTED BY:
Chris Gutierrez, President
Kansas City SmartPort

Chairmen Brownlee and Jordan and members of the committee:

I'm pleased to offer support this morning for an important piece of economic development legislation.

Kansas City SmartPort is the regional transportation and logistics group focused on growing the transportation and logistics industries and making it more efficient and secure for freight to move into, thru and from the greater Kansas City region. We work closely with the Kansas Departments of Commerce and Transportation and with local community leaders. Members of both departments and local economic development leaders serve on the board of Kansas City SmartPort.

The greater Kansas City region was recently ranked the number one logistics friendly metro by a leading logistics publication, *Logistics Today*. The region's history of being a transportation hub continues to strengthen with recent announcements of large distribution centers locating in our region and by the development of three intermodal logistics parks in the region. The region is the largest rail center in the country by tonnage and the decision by the BNSF, a class one railroad, to locate an intermodal facility and the subsequent location of the KC Logistics Park by the Allen Group further solidifies our regions strength in this industry.

The global supply chain has changed in the last few years. More and more freight is moving globally with its final destination being inland. The greater Kansas City area was the first to focus on and work to develop the concept of an inland port. In recent years the industrial real estate market in this region saw a change in the size of distribution centers locating here. New facilities in excess of 350,000 square feet are becoming common. Our region is on the radar screen for major distribution centers. Without your support for this bill we will not continue to be considered for this type of investment and our future will not look as bright.

Your support for this bill will spur an estimated \$800 million of private and public sector investment. Your support will allow thousands of jobs to be created and will allow our region to compete on a national and international stage and to win new investments in our region.

I respectfully request your support.

Senate Commerce Committee

March 26, 2008

Attachment 8-1

Wednesday, March 26, 2008

Johnson County Government Position on SB 693

Members of the Senate Commerce Committee:

My name is Stuart Little, representing today the Johnson County Board of County Commissioners and the Johnson County Manager in support of SB 693.

SB 693 is an essential component to securing the location of the Kansas City Railway Logistics Park and accompanying Intermodal Facility by allowing the State of Kansas to guarantee the bonds needed to construct public improvements for the project.

The Kansas City Logistics Park and Intermodal Facility is one of the largest development projects undertaken in Johnson County in the last few decades. This project will provide economic benefits for the State of Kansas, Johnson County, City of Gardner, and other jurisdictions through the generation of additional tax revenues as well as jobs. Clearly this project will have an enormous positive impact on Johnson County, the surrounding area, and the State of Kansas.

Signs of development are already taking place on the south Johnson County and I-35 corridor by virtue of this project. Planning staff from the City of Gardner, Johnson County, and the State have worked in concert to develop a cohesive master traffic management plan that will ensure quality development over the next several years. Passage of SB 693 represents the first step toward an economic master plan that will facilitate quality development, stimulate and diversify the tax base, and provide an asset to our community of which we can all be proud.

It is for these reasons that on March 20, 2008, the Johnson County Board of County Commissioners in their regular business meeting voted to support SB 693. This bill provides financial backing for \$63.3 million in bonds that will fund public infrastructure improvements near the Intermodal Facility. This backing is critically needed for the project to proceed.

Johnson County is supportive of the City of Gardner's efforts to bring the Kansas City Logistics Park and accompanying Intermodal Facility to Johnson County. As such, we encourage you to pass SB 693.

If you have questions, please do not hesitate to contact me or staff from the County Manager's Office.

Senate Commerce Committee
March 26, 2008

Attachment 9-1

I regret that I am unable to provide testimony in person. I along with others from Gardner are on a fact finding trip to the Logistics Park Chicago and the surrounding area, meeting with elected officials and economic development leaders to discuss the impacts and benefits of logistics developments.

Through this e-mail I extend my full support for Senate Bill 693. With the backing of the state, Gardner can move forward with confidence and assure that the necessary public infrastructure is put in place to minimize the impact on our citizens while at the same time providing adequate support for the development. The success of this development will provide an economic benefit to all the citizens of Kansas and it is therefore appropriate that all entities share in both risks and benefits from the KC Logistics Hub.

The City Council of Gardner has approved a financing plan that can make this development a success for Kansas. I ask you today to join us in that success by endorsing Senate Bill 693.

Most sincerely yours,
David C. Drovetta

David Drovetta
Council President
City of Gardner
120 E. Main Street
Gardner, Kansas 66030

Senate Commerce Committee

March 26, 2008

Attachment 10-1

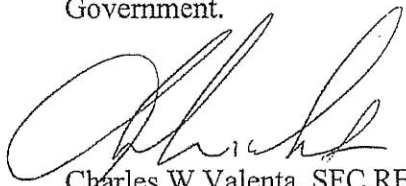
Senate Commerce Committee
State of Kansas

Attention: Jackie Lunn

Dear: Committee Members.

I am a concerned resident of Kansas that resides in Gardner. I feel the Issue with the Intermodal / Logistics Park in the Gardner / Edgerton area is an investment of the future. This project will give not only an economic boost to the Gardner area, but will also benefit the entire Metro and State. This project, if gone forward will consolidate shipping by Train to a central location and getting more cross country trucks off our State highways and help lower shipping cost to aid in controlling it at the retail level. I see this as a win-win situation for the City, County, and State. We get an Economic Boost, new jobs created, broader tax revenue, reduced traffic and fuel usage of cross country trucking and, a way to reduce/control cost at the retail counter. It will also aid in making the City of Gardner and the State of Kansas one of the few primer Transportation Hubs in the Country.

With all this at stake, I feel the State's risk of VOTING yes to a bond issue is a no brainier. The amount of return is in the favor of the residents of Kansas, Local, and State Government.


Charles W Valenta, SFC.RET
710 S. Sycamore
Gardner KS 66030

3/25/08

Senate Commerce Committee
March 26, 2008
Attachment 11-1

March 25, 2008

Honorable Senator Karin Brownlee,
Chairperson Commerce Committee
State Capitol -136-N
Topeka, KS 66612-1504

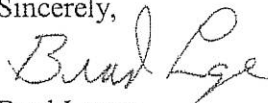
RE: SB 693--Creating the Kansas Intermodal Transportation Revolving Fund

Dear Senator Brownlee;

I am writing in support of SB 693 related to the proposed Intermodal Facility in Gardner, KS. I have lived in Gardner for 34 years, and I believe the intermodal project and associated transportation improvements will have immensely positive impacts on the City of Gardner. The project includes much needed improvements to expand the Center Street Bridge and will enhance traffic flow in the vicinity of downtown Gardner. The new construction of the White Drive underpass will allow for better traffic movement throughout Gardner. A fully grade separated Waverly Road will further enhance the western expansion of the City.

With the major investments planned by BNSF and The Allen Group, the tax burden associated with the schools will shift from the residential sector to the commercial sector. On a personal level, as a father of two, I am excited at the prospect of Gardner developing a daytime economy that will allow the next generation to live and work in Gardner. I urge the Committee to pass SB 693.

Sincerely,



Brad Lange
P.O. Box 444
121 E. Colleen Court
Gardner, Kansas 66030

Senate Commerce Committee
March 26, 2008
Attachment 12-1



2600 Commerce Tl.
911 Main Street
Kansas City, MO 64105-2049

phone: 816.221.2121
fax: 816.842.2865
kcadc@thinkKC.com
www.thinkKC.com
1.888.99KCADC

**TESTIMONY BEFORE THE
KANSAS SENATE
COMMERCE COMMITTEE
In support of SB 693**

MARCH 26, 2008

**SUBMITTED BY:
Bob Marcusse, CEO
Kansas City Area Development Council**

Chairmen Brownlee and Jordan and members of the committee:

Please accept my apologies for being unable to testify in person. However, I am pleased to offer support for this important piece of economic development legislation. I will be concise.

Kansas City Area Development Council is the regional economic development group for the Kansas City Area. We work closely with Kansas Department of Commerce and our local community partners to grow the economy of Eastern Kansas. Our region has been relatively successful in part because of the past work of the Kansas Legislature that has continually improved the business climate and in part because of an aggressive sales effort to tell our story.

As you know, we have an unprecedented opportunity to create an economic development project of national significance in Kansas. The location of the BNSF Intermodal facility and the subsequent location of the Allen Group Logistics Park will create vitality, opportunity, and draw national attention as few other projects can do.

Because of these planned investments we have a story to tell throughout this country and overseas that we have been unable to tell before. It is the story of the ability to effectively compete against Texas, Illinois, Tennessee and other logistics oriented states in the high stakes world of economic development. We will be able to not just tell a story but locate the companies that will create jobs for Kansans. Without your support for this bill we will be unable to do so and our bright future will have dimmed.

Your support for this bill will spur an estimated \$800M of private and public sector investment. Your support will set the stage for the creation of thousands of jobs. Your support will vault Kansas to the national stage and your support will allow those of us who compete to compete effectively.

I request your support.

Senate Commerce Committee
March 26, 2008

Attachment 13-1

Genesis Development Team

March 24, 2008

Honorable Senator Karin Brownlee,
Chairperson Commerce Committee
State Capitol -136-N
Topeka, KS 6661201504

RE: SB 693; Creating the Kansas Intermodal Transportation Revolving Fund

Dear Senator Brownlee:

Please be advised that we are in full support of SB 693 as it would relate to the proposed Intermodal facility within the City of Gardner Kansas. As a developer, and ultimately a creator of multiple taxable properties for Gardner and Kansas, we view the Intermodal project as the catalyst needed to drive Gardner's growth for many years to come. The vast number of projects to be spawned from the Intermodal project, will drive the success of the City of Gardner, and the portion of the state.

The current economy has stalled the growth and future of Gardner, creating a loss in potential revenue for the State of Kansas, and this region, which may be partially and/or fully reversed via the Intermodal project. We strongly encourage the passage of SB 693 by your committee, so that it may revitalize a region of the state that has been the most effected by the current economy.

Thank you for your support of SB 693.

Sincerely,


J. Douglas Bohi, Manager
Genesis Development Team

P. O. Box 326, Gardner, Kansas 66030

Senate Commerce Committee
March 26, 2008

Attachment 14-1

March 25, 2008

Honorable Senator Karin Brownlee,
Chairperson Commerce Committee
State Capitol -136-N
Topeka, KS 66612-1504

RE: SB 693--Creating the Kansas Intermodal Transportation Revolving Fund

Dear Senator Brownlee;

I am writing in support of SB 693 related to the proposed Intermodal Facility in Gardner, KS. I have lived in Gardner for **28.5** years, and I believe the intermodal project and associated transportation improvements will have immensely positive impacts on the City of Gardner. The project includes much needed improvements to expand the Center Street Bridge and will enhance traffic flow in the vicinity of downtown Gardner. The new construction of the White Drive underpass will allow for better traffic movement throughout Gardner. A fully grade separated Waverly Road will further enhance the western expansion of the City.

With the major investments planned by BNSF and The Allen Group, the tax burden associated with the schools will shift from the residential sector to the commercial sector. On a personal level, as a father of two, I am excited at the prospect of Gardner developing a daytime economy that will allow the next generation to live and work in Gardner. I urge the Committee to pass SB 693.

Sincerely,

Trudy Masters-Lange
121 E Colleen Ct
PO Box 444
Gardner, Kansas 66030

Senate Commerce Committee
March 26, 2008
Attachment 15-1

March 25, 2008

Honorable Senator Karin Brownlee,
Chairperson Commerce Committee
State Capitol -136-N
Topeka, KS 66612-1504

RE: SB 693--Creating the Kansas Intermodal Transportation Revolving Fund

Dear Senator Brownlee;

I am writing to you in support of SB 693 related to the proposed Intermodal Facility in Gardner, KS. I own approximately 10 acres of commercial property on 191st Street, within $\frac{3}{4}$ of a mile of the Intermodal Facility and Logistics Park. With the proposed improvements to 191st Street and the creation of thousands of jobs, I believe that my property will develop much sooner than previously anticipated. This will occur based on the spin off development that will be required to support the Intermodal Facility and Logistics Park. At a minimum, I would anticipate the construction of 20,000 square feet of commercial development corresponding with private investments in excess of \$5,000,000.

I am also a council member for the City of Edgerton. Outside of my property, as well as in Edgerton, I believe there will be additional development resulting from the Intermodal Facility, Logistics Park, and planned transportation improvements. In some part, benefits will accrue to the State, offering additional security for the State to establish the Intermodal Transportation Revolving Fund. Again, I ask for your support for SB 693.

Sincerely,

Ironwood Development, L.L.C.

By: Pat Burton, Owner/ Member
299960 West 191st Street
Gardner, KS 66030

Senate Commerce Committee
March 26, 2008

Attachment 16-1



J. Vann Cunningham
AVP
Economic Development

BNSF Railway Company
P.O. Box 961051
Ft. Worth, TX 76161-0051
2650 Lou Menk Drive
Ft. Worth, TX 76131-2830
817-867-6336
817-352-4400 fax
vann.cunningham@bnsf.com

March 25, 2008

Kansas State Senate
Senate Commerce Committee
State Capitol
Topeka, Kansas

Re: SB 693

Dear Chairpersons and Committee Members:

I am writing this letter in support of Senate Bill 693 relating to the financing of intermodal transportation projects in Kansas.

As the nation's leading intermodal carrier, BNSF has a unique perspective on the many benefits that this mode of transportation provides:

- Energy-Trains are two to four times more fuel efficient than trucks and can help significantly improve the fuel-efficiency of freight transportation in Kansas and the nation. Today, on average, railroads move each ton of freight a distance of 423 miles (approximately the east-west distance across Kansas) on only one gallon of fuel.
- Environmental-Trains produce 60% fewer emissions per ton mile than long haul trucks and each intermodal train can take as many as 280 or more trucks off our long-distance freeways.
- Economic-A conservative Economic Impact Analysis prepared by Lockwood-Greene/CH2MHill estimated a total fiscal impact of \$1.7 billion to the State of Kansas from our proposed intermodal facility and private warehouse development over a 20 year timeframe, generating over 13,000 jobs.

Intermodal has become the fastest growing business and economic development engine in the rail industry because it combines the long-distance fuel efficiency of trains with the local delivery capabilities of trucks. We believe that intermodal represents the most efficient transportation method of handling our nation's increasing demand for freight, including the growing importance of international trade in today's global economy. Therefore, our proposed intermodal project is important not only to the State of Kansas, but also carries national and international significance as well.

In conclusion, BNSF and the State of Kansas have a unique opportunity to continue our long history of working together to realize mutual benefits, and we respectfully request passage of SB 693.

Sincerely,

Senate Commerce Committee
March 26, 2008

Attachment 17-1

LawGard Properties, LLC
824 New Hampshire
Lawrence, KS 66044

March 24, 2008

Honorable Senator Karin Brownlee,
Chairperson Commerce Committee
State Capitol -136-N
Topeka, KS 66612-1504

RE: *SB 693--Creating the Kansas Intermodal Transportation Revolving Fund*

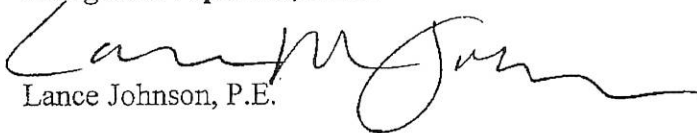
Dear Senator Brownlee;

I am writing in support of SB 693 related to the proposed Intermodal Facility in Gardner, KS. As a residential and commercial developer in City of Gardner I see many positive impacts from the proposed facility, and the project as a whole. The future success of many projects within the City of Gardner and surrounding communities relies heavily on the Intermodal Transportation Revolving Fund approval to construct greatly needed infrastructure.

As a property owner and developer in the community for over seven years I have seen many lost economic development opportunities for the City and State. I encourage your committee to vote in support of SB 693 so one of the largest business opportunities in the state can move forward.

Sincerely,
Lawgard Properties, LLC.

Lance Johnson, P.E.



Senate Commerce Committee
March 26, 2008

Attachment 18-1



**HOME BUILDERS ASSOCIATION
OF GREATER KANSAS CITY**



600 EAST 103RD STREET • KANSAS CITY, MISSOURI 64131-4300 • (816) 942-8800 • FAX (816) 942-8367 • www.kchba.org

**Written Testimony on SB 693
Senate Commerce Committee
Phil Perry, Director of Governmental Affairs
Home Builders Association of Greater Kansas City
March 26, 2008**

The Home Builders Association of Greater Kansas City wishes to support S.B. 693 since we believe this will stimulate economic development in Southwest Johnson County and especially the Gardner area. The nearly \$700 million investment in the area and nearly \$1.0 billion of economic impact over 20 years will provide the area with the stimulus it needs for continued growth.

The nearly 5,000 jobs created by the construction of the intermodal facility and the associated Logistics Park will create the need and demand for new and affordable housing in the area. As we all know, job creation and housing are the two key ingredients in economic development. The city, county, and the school district have thoroughly planned for this growth, but with over \$63 million of needed infrastructure improvements needed in the area, the City of Gardner cannot be expected to back bonds of this magnitude. The backing of the State of Kansas for these bonds is critical to the success of this project and to ensure that associated development that will result from the BNSF intermodal facility and the Allen Group's Logistics Park will be thoughtfully planned and provided for.

We urge to you to support this bill for the continued economic development within the State of Kansas and will be happy to provide you with any additional information you require.

Do Business With A Member

Senate Commerce Committee
March 26, 2008

Attachment 19-1

Dear Senator:

We are representing the concerned citizens of Gardner, who oppose the financing package for the BNSF Intermodal Logistics Park.

We would like your attention on the matter of the detrimental effects of Bills 613 & 693 sponsored by Senator Brownlee, which go to Senate hearing this Wednesday morning at 8:30. These two bills, in a nutshell, give \$9.3 million in actual cash and \$30 million in loan guarantees to the BNSF Intermodal Logistics Park project in Gardner.

- The total financing package includes an 85% abatement on property taxes to the developers. Our schools normally receive 57% of our tax revenue, so this represents a substantial reduction.
- These bills are opposed by Gardner-Edgerton school district #231. Ron Regan, school board president, has given this statement as published in The Gardner News:
- "In essence, we will be gaining students which will require additional facilities; yet only receiving minimal tax dollars from this project."

In conclusion, we ask you to please reject this rush to judgment on bills which have no limit on liability to the state and have more costs associated with them that have yet to be determined.

Thank you for your time,

Bryan C. DeMars
19901 Pepper Tree Rd.
Edgerton, Ks. 66021
913-484-0279

Senate Commerce Committee
March 26, 2008

Attachment 20-1



March 25, 2008

This letter was presented by
Bryan C. Demars as part
of his testimony

To Whom It May Concern:

The Superintendent of Schools and the Board of Education have a responsibility to promote and protect the best interest of our students and patrons at all times. It is with this thought in mind I believe members of the Board of Education and School District Administration have an obligation to analyze the proposed Intermodal and logistics park from an economic perspective. When assessing the appropriateness of an 85% Tax Abatement from a public indebtedness standpoint, the school district must evaluate with grave concern the burden such public financing will place on the taxpayers of our community.

It is our belief that the proposed financing strategy merely shifts the responsibility for the costs of the Intermodal and logistic park infrastructure from those that stand to benefit most (BNSF and the Allen Group) and places the burden firmly on the backs of the taxpayers of our community. As such, we question the appropriateness of this particular financing model.

In essence, while there is certainly much to consider with regard to the Intermodal project, the question of infrastructure funding comes down to "affordability". When everything is considered, who is in the best position to fund the infrastructure costs associated with this project?

Currently USD 231 enrollment projections indicate the need for a new elementary school, a third middle school and significant technological upgrades throughout the district over the course of the next four years (at an estimated cost of \$65 million). Consequently, the Board of Education must consider the overall impact that any additional costs or loss of revenue would place on our community and school system.

In light of the district's immediate and future building needs, the Board of Education simply cannot support the proposed financing plan. When one considers the fact that BNSF reported fourth-quarter operating income of \$950 million, projects a capital budget of \$2 billion in cash for 2008 AND reported a profit margin in excess of 1.5 BILLION DOLLARS in 2007, the question of ownership, cost and affordability becomes the true issue at hand.

According to information provided by the Allen Group and BNSF, the Intermodal project will create as many as 7,500 jobs over the course of the next 20 years. One would assume many of these jobs will cause people to relocate to our community. This will undoubtedly result in additional students which will ultimately require the construction of new facilities.

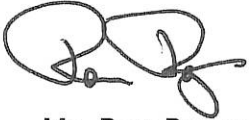
In essence, we will be gaining students which will require additional facilities; yet not be receiving proportional tax dollars from this project to offset the costs with this type of abatement. The end result will be significantly higher mill levies for all in order to build more schools.

We understand that tax abatements are part of doing business in Southwest Johnson County in an effort to attract business & industry. However, the School Board respectfully requests that all governing and legislative bodies reconsider supporting legislation that ultimately provides an 85% tax abatement.

Sincerely,

Bill Gilhaus

Dr. Bill Gilhaus
Superintendent of Schools



Mr. Ron Ragan
President, Board of Education

W. Paul Degener
518 NW 56th St.
Topeka, KS 66617
(785) 246-0215
w.degener@sbcglobal.net

SUBJECT: Opposition to SB 693, Intermodal transportation projects

Madam Chairman and members of the committee, thank you for allowing me to appear before this committee. My name is Paul Degener and I appear here as an opponent to this piece of legislation. I am going to attempt to show how SB 693 fits into the globalists plan of a North American Union (NAU). Please bear with me.

As a retired veteran of 36 years in the United States Army, I see my country being sold right out from under every American. I see this bill, SB 693 as a part of the big picture. I attribute this to the Federal Government, whether it is a Democrat or a Republican.

To my knowledge this all started with the North American Free Trade Agreement, (NAFTA), the cornerstone of everything. George Herbert Walker Bush started the ball rolling with NAFTA; William Jefferson Clinton singed it into law and George W. Bush provided us with the Central American Free Trade Agreement. I am sure we all know the results of these trade agreements. We lost millions of manufacturing jobs and our manufacturers began moving off shore and now we have what we call outsourcing. Every time we pass a free trade agreement, we lose a significant amount of our sovereignty.

We have been plagued with an invasion of illegal aliens for decades until now we have from 12 million to 20 million illegals in the country. Then on September 11, 2001 we were attacked by terrorists. To this day our borders have not been secured. Every one asks why, but we never receive a valid answer to that question.

In 2005, Bush, Vincente Fox from Mexico and Chamberlain from Canada, got together and came up with an agreement we now call the Security and Prosperity Partnership/North American Union (SPP/NAU). To support the claim that the SPP/NAU does exist, I invite your attention to Congressional HCR 40 that expresses the sense of the Congress that the United States should not engage in the construction of a NAFTA Superhighway System or enter into a North American Union with Mexico and Canada, (Encl 1). To further support the existence of SPP, they have their own web page that can be found at www.spp.gov... This agreement was consummated with no oversight from Congress. What does this agreement do? It erases the borders between the United States, Canada and Mexico. Under SPP/NAU we will have one common border around North America. This explains to me why our borders have not been secured against illegal aliens and terrorists. Why secure the borders, when in a couple of years, there will be no borders. The architect of SPP is Dr. Robert Pastor, member of the Council on foreign Relations, (CFR). The elitists and globalists want the SPP/NAU completed by 2010. Not far away. How is that for destroying our national sovereignty? Our Constitution will be nothing more than a historical document gathering dust on a shelf.

Along with SPP we read and hear about the NAFTA Super Highway and intermodal transportation. I have two dictionaries at home, and I was unable to find the term intermodal, however the dictionary on my computer does define the term. I had never heard of intermodal before I started hearing about the NAFTA Super Highway. So it is a relatively new term.

Senate Commerce Committee
March 26, 2008

Attachment 21-1

Now I will attempt to tie all of this together. The Kansas City Smart Port is a part of the NAFTA Super Highway that will allow trucks and trains to travel from the west coast of Mexico straight through to Kansas City without stopping. The stop in Kansas City is referred to as the Kansas City Smart Port. One of the logistics centers of the Kansas City Smart Port is the BNSF Railway that has a Proposed BNSF Intermodal Logistics Park located in Gardner, (Encl 2). This bill will fund a portion of the Gardner intermodal facility if I am interpreting SB 693 correctly. I can hear the rebuttal now, "But this will create so many jobs for Kansans. With this I sympathize. And my response to that would be, "which is more important, jobs or the loss of our national sovereignty?"

All of the above are the reasons I am opposed to SB 693. This bill will create funds to build one of the intermodal sites. It is an expenditure of Kansas Taxpayers for a project that will contribute to the further destruction of our national sovereignty. I ask people about SPP, including some state legislators, and they respond that they have never heard of it. Then I explain to them how it came to be and what it will do. The reason most people have not heard of the SPP or NAU is that you rarely, if ever, see it on TV or read about it in the newspaper. Even Rush Limbaugh and Shawn Hannity ignore the existence of the SPP and the NAU. It is being kept beneath the radar of the citizens. Folks are not exposed to it by the major news media, so when I and others mention it we are labeled as radical or crazy. It does not matter what they call me, what concerns me is that everyone thinks that everything is fine. To support my position on the globalists, I have included two quotes from David Rockefeller for your reading pleasure (Encl 2). David Rockefeller is a former chairman and prominent member of the Council on Foreign Relation, (CFR) and wields a lot of weight in the financial world.

I hope that I have explained my position in a logical fashion. I have questions as to the driving force behind this legislation. From the title of the legislation I cannot help but believe that the federal government has mandated that this projected be funded or if they are using a form of extortion by threatening to cut off highway funds if we do not comply.

Thank you for your time.

"For more than a century ideological extremists at either end of the political spectrum have seized upon well-publicized incidents such as my encounter with [Fidel] Castro to attack the Rockefeller family for the inordinate influence they claim we wield over American political and economic institutions. Some even believe we are part of a secret cabal working against the best interests of the United States, characterizing my family and me as "internationalists" and of conspiring with others around the world to build a more integrated global political and economic structure--one world, if you will. If that's the charge, I stand guilty, and I am proud of it."

Reference: The New American, July 24, 2006, pg 44, "The Last Word".

David Rockefeller, Chapter 27, "Proud Internationalist", in his book "Memoirs, published by Random House in 2002.

David Rockefeller: Quote for January 10, 2008

We are grateful to the Washington Post, the New York Times, Time magazine and other great publications whose directors have attended our meetings and respected the promises of discretion for almost forty years. It would have been impossible for us to develop our plan for the world if we had been subject to the bright lights of publicity during those years. But, the world is now more sophisticated and prepared to march towards a world-government. The supranational sovereignty of an intellectual elite and world bankers is surely preferable to the National auto-determination practiced in past centuries.

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Expressing the sense of Congress that the United States should not engage in the construction of a North American Free Trade Agreement (NAFTA) Superhighway System or enter into a North... (Introduced in House)

HCON 40 IH

110th CONGRESS
1st Session
H. CON. RES. 40

Expressing the sense of Congress that the United States should not engage in the construction of a North American Free Trade Agreement (NAFTA) Superhighway System or enter into a North American Union with Mexico and Canada.

IN THE HOUSE OF REPRESENTATIVES

January 22, 2007

Mr. GOODE (for himself, Mr. WAMP, Mr. JONES of North Carolina, Mr. PAUL, Mr. STEARNS, Mr. DUNCAN, and Ms. FOXX) submitted the following concurrent resolution; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

CONCURRENT RESOLUTION

Expressing the sense of Congress that the United States should not engage in the construction of a North American Free Trade Agreement (NAFTA) Superhighway System or enter into a North American Union with Mexico and Canada.

Whereas the United States Departments of State, Commerce, and Homeland Security participated in the formation of the Security and Prosperity Partnership (SPP) on March 23, 2005, representing a tri-lateral agreement between the United States, Canada, and Mexico designed, among other things, to facilitate common regulatory schemes between these countries;

Whereas reports issued by the SPP indicate that it has implemented regulatory changes among the three countries that circumvent United States trade, transportation, homeland security, and border security functions and that the SPP will continue to do so in the future;

Whereas the actions taken by the SPP to coordinate border security by eliminating obstacles to migration between Mexico and the United States actually makes the United States-Mexico border less secure because Mexico is the primary source country of illegal immigrants into the United States;

Whereas according to the Department of Commerce, United States trade deficits with Mexico and Canada have significantly increased since the implementation of the North American Free Trade Agreement (NAFTA);

Whereas the economic and physical security of the United States is impaired by the potential loss of control of its borders attendant to the full operation of NAFTA and the SPP;

Whereas the regulatory and border security changes implemented and proposed by the SPP violate and threaten United States sovereignty;

Whereas a NAFTA Superhighway System from the west coast of Mexico through the United States and into Canada has been suggested as part of a North American Union to facilitate trade between the SPP countries;

Whereas the State of Texas has already begun planning of the Trans-Texas Corridor, a major multi-modal transportation project beginning at the United States-Mexico border, which would serve as an initial section of a NAFTA Superhighway System;

Whereas it could be particularly difficult for Americans to collect insurance from Mexican companies which employ Mexican drivers involved in accidents in the United States, which would likely increase the insurance rates for American drivers;

Whereas future unrestricted foreign trucking into the United States can pose a safety hazard due to inadequate maintenance and inspection, and can act collaterally as a conduit for the entry into the United States of illegal drugs, illegal human smuggling, and terrorist activities; and

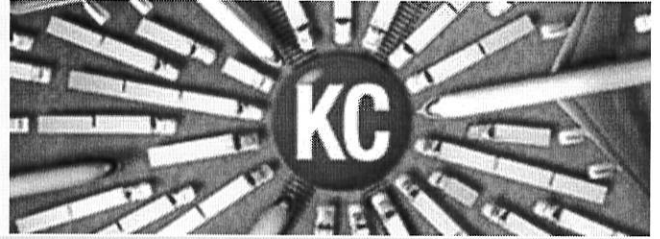
Whereas a NAFTA Superhighway System would likely include funds from foreign consortiums and be controlled by foreign management, which threatens the sovereignty of the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That--

- (1) the United States should not engage in the construction of a North American Free Trade Agreement (NAFTA) Superhighway System;
- (2) the United States should not allow the Security and Prosperity Partnership (SPP) to implement further regulations that would create a North American Union with Mexico and Canada; and
- (3) the President of the United States should indicate strong opposition to these acts or any other proposals that threaten the sovereignty of the United States.

THIS SEARCH THIS DOCUMENT GO TO

Next Hit Forward New Bills Search
Prev Hit Back HomePage
Hit List Best Sections Help



THIS SECTION

Shipping & Carrier Services

- Third Party Logistics Providers
- Air Cargo Companies
- Bonded Warehouses
- Container Freight Stations
- Customs Brokers
- Freight Forwarders
- Marine Cargo Companies
- Online Carrier Companies
- Online Shipping Management
- Online Load Boards
- Packaging
- Rail Companies
- Transportation Brokers
- Trucking Companies
- Drayage
- Flatbed

Logistics Sites

Kansas City International Airport

- KCI Airport has named Trammell Crow Company, as Master Developer for a 800 acre parcel at Kansas City International Airport
- The Trammell Crow Company founded in 1948 is an independently operated subsidiary of CB Richard Ellis Group Inc
- Diagram of [KCI Intermodal BusinessCentre](#)
- Projected industrial real estate impact: 17.8 million square feet
- KCI's current All-Cargo Airline Tenants include: BAX Global, DHL, FedEx, Kitty Hawk, and UPS
- Sites at Kansas City International Airport designated FTZ and Enhanced Enterprise Zone

Northland Park

- 2,200-acre intermodal facility -- Norfolk Southern Railroad
- Current Tenants include: WW Grainger, Watkins Motor Lines, TNT Logistics
- Recent Projects include: FedEx Ground (215,000 sq. ft. regional distribution center) and Musician's Friend (702,000 sq. ft. facility with potential to expand to a 1 million sq. ft.)

CenterPoint-KCS Intermodal Center

- 1,300-acre intermodal facility with projected

- General
- LTL
- Reefers
- Tankers
- Truck Load
- Vans
- Warehousing Companies

General Trade Services

- Accounting Services
- Banking
- Engineering & Architecture
- Trade Consultants
- Foreign Language & Translation
- General Online Trade Resources
- Industrial Parks
- ISO Certification
- Legal Services
- Material Handling
- Equipment & Systems
- Real Estate: Industrial
- Trade Education & Information
- Technology Partners
- Web Site Providers

Civic Organizations

KC Area Government Offices

U.S. Government Agencies

industrial real estate impact of 7 million sq. ft.: 'International Freight Gateway' distribution center for imported goods via Mexican ports and Kansas City Southern Railway

- Opened March 2008
- 370-acre intermodal facility and 930-acre industrial park
- Site served by Kansas City Southern Rail and designated as Foreign Trade Zone
- Current Tenants: Mazda North America

Proposed BNSF Intermodal Logistics Park

- 1,300-acre tract SW of Gardner, KS, projected industrial real estate impact of 12 million sq. ft. of distribution center for imported goods, via West Coast ports and BNSF
- 1,000 acres to be developed as a logistics operation and 350 acres for an intermodal facility

New Century Air Center

- Located at 175th Street and Interstate 35, on over 2,500 easily accessible acres in the southwest Kansas City metropolitan area, New Century AirCenter is where air, rail, and interstate highway come together; a true multi-modal center. Facilities: a 7,300' main runway with a 5,000' crosswind runway, FAA contract air traffic control tower, Category I instrument landing system, and fire station with ARFF capability.
- Services: Two full-service fixed base operators on the field provides fuel, lubrication and flight line services for all classes of reciprocating and turbine aircraft, seven days a week. Other services include air charter, aircraft sales, aircraft maintenance and flight training.

Topeka Air Industrial Park

- The Metropolitan Topeka Airport Authority operates Forbes Field in Topeka as well as

Foreign Trade Zones

Logistics Sites

Register Your Company

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the 450 acre Topeka Air Industrial Park located at Forbes Field. The Industrial Park, which has 120 tenants, includes a Foreign Trade Zone and offers both existing facilities and excellent greenfield opportunities.

- Centrally located in the continental United States, the Park has ready access to the federal interstate network and is within a few miles of I-70, I-470, and the Kansas Turnpike. The Burlington Northern Santa Fe Railroad runs adjacent to the Park, and Forbes Field offers excellent air service. The Topeka Air Industrial Park also has a state-of-the-art telecommunications infrastructure, first-rate utility access, 24-hour police and fire protection, on-site management, and excellent incentives, including perpetual property tax abatement. In short, the Park is a perfect location for your new facility.



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SENATE BILL No. 693

By Committee on Federal and State Affairs

3-19

9 AN ACT concerning transportation; relating to intermodal transportation
10 projects, and providing for the financing thereof.

11
12 Be it enacted by the Legislature of the State of Kansas:

13 Section 1. The secretary of transportation is hereby authorized to
14 establish an intermodal transportation revolving fund to provide assis-
15 tance to governmental units for intermodal transportation projects.

16 Sec. 2. As used in sections 1 through 7, and amendments thereto:

17 (a) "Cost" means as applied to any qualified project, any or all costs,
18 whenever incurred, approved by the department, for carrying out a qual-
19 ified project;

20 (b) "department" means the department of transportation, estab-
21 lished under K.S.A. 75-5001, and amendments thereto;

22 (c) "fund" means the Kansas intermodal transportation revolving
23 fund established by section 4, and amendments thereto;

24 (d) "governmental unit" means any town, city, district, county, com-
25 mission, agency, authority, board or other instrumentality of the state or
26 of any of its political subdivisions, including any combination thereof,
27 which is responsible for the construction, ownership or operation of a
28 qualified project;

29 (e) "intermodal facility" means an intermodal facility developed pri-
30 marily to handle the transfer, storage and distribution of freight through
31 railway and trucking operations with a cost in excess of \$175,000,000;

32 (f) "intermodal transportation area" means an area including an in-
33 termodal facility and property adjacent to such intermodal facility, as ap-
34 proved by the secretary.

35 (g) "intermodal transportation project" means any bridge, culvert,
36 highway, road, street, or combination thereof located within an intermodal
37 transportation area;

38 (h) "private enterprise" means a private person or entity that has
39 entered into a contract with a public authority to design, finance, con-
40 struct or operate a qualified project that is within the jurisdiction of such
41 public authority;

42 (i) "project" means the acquisition, construction, improvement, re-
43 pair, rehabilitation, maintenance or extension of transportation facilities;

has a qualified project located within the boundaries of such entity or within the
jurisdiction of such entity

land, improvements, personal property and fixtures

projected

such additional area certified by the secretary to be impacted by

, underpass, railroad crossing

governmental unit

22-2.

1 (j) "project costs" means all costs or expenses which are necessary or
2 incident to a qualified project and which are directly attributable thereto;

3 (k) "qualified borrower" means any governmental unit or private en-
4 terprise which is authorized to construct, operate or own a qualified
5 project;

6 (l) "qualified project" means any public or private intermodal trans-
7 portation project, including, without limitation, the construction, recon-
8 struction, resurfacing, restoration, rehabilitation or replacement of public
9 or private transportation facilities within the state, that is determined by
10 the secretary to be of statewide as well as local importance;

, including, but not limited to, land acquisition

intermodal

projects

11 (m) "revenues" means when used with respect to the department,
12 any receipts, fees, revenues or other payments received or to be received
13 by the department under sections 1 through 7, and amendments thereto;
14 and

and by the city or county in which the qualified project is located to be of local importance

15 (n) "secretary" means the secretary of the department of
16 transportation.

17 Sec. 3. (a) The secretary shall administer the provisions of sections
18 1 through 7, and amendments thereto, and shall be responsible for the
19 administration and management of the fund, and shall have the power to
20 enter into agreements and contracts and to transfer money between the
21 state highway fund and the fund as required to effect the purposes of
22 sections 1 through 7, and amendments thereto.

23 (b) The secretary shall adopt rules and regulations, to carry out the
24 purposes and provisions of sections 1 through 7, and amendments
25 thereto.

26 Sec. 4. (a) There is hereby established in the state treasury a fund to
27 be known as the Kansas intermodal transportation revolving fund which
28 shall consist of the following:

29 (1) Amounts appropriated or otherwise made available by the legis-
30 lature for the purposes of the fund;

31 (2) the proceeds, if any, from the sale of bonds issued pursuant to
32 section 5, and amendments thereto, for the purposes of the fund to the
33 extent provided in any agreement entered into between the secretary and
34 the Kansas development finance authority;

35 (3) amounts of repayments made by qualified borrowers of loans re-
36 ceived under sections 1 through 7, and amendments thereto, together
37 with payments of interest thereon, in accordance with agreements en-
38 tered into between such qualified borrowers and the secretary;

39 (4) amounts earned on moneys in the fund;

40 (5) amounts contributed or otherwise made available by any public
41 or private entity for use in effectuating the purposes of the fund;

42 (6) amounts transferred by order of the secretary from the state high-
43 way fund; and

1 (7) any other amounts as may be made available for purposes of the
2 fund.

3 (b) Subject to the provisions of sections 1 through 7, and amendments
4 thereto, expenditures from the fund shall be made for the following
5 purposes:

6 (1) For the payment of the principal, including sinking fund payments
7 of and premium, if any, and interest on bonds issued pursuant to sections
8 1 through 7, and amendments thereto;

9 (2) for providing financial assistance to qualified borrowers to finance
10 qualified projects;

11 (3) for the maintenance of, or provision for, any reserves, additional
12 security, insurance or other form of credit enhancement to secure such
13 bonds required or provided for in any trust agreement entered into pur-
14 suant to sections 1 through 7, and amendments thereto;

15 (4) to guarantee, purchase insurance or provide other credit enhance-
16 ment for bonds of qualified borrowers issued to finance the costs of qual-
17 ified projects;

18 (5) to provide reserves for or otherwise secure bonds issued pursuant
19 to sections 1 through 7, and amendments thereto, and to provide insur-
20 ance or other credit enhancement for such bonds;

21 (6) to provide reserves for, or to otherwise secure, amounts payable
22 by qualified borrowers on loans made by and leases with the department
23 in the event of default by a particular qualified borrower or, on a parity
24 basis, by any qualified borrower;

25 (7) to provide a subsidy for, or to otherwise assist, qualified borrowers
26 in the payment of debt service costs on loans made by the department
27 hereunder;

28 (8) for administrative costs of the fund or for any of the foregoing;

29 (9) the transfer of money by order of the secretary to the state high-
30 way fund; and

31 (10) the transfer of money by order of the secretary to the state gen-
32 eral fund.

33 Sec. 5. (a) The activities of the department in administering and per-
34 forming the powers, duties and functions prescribed by the provisions of
35 sections 1 through 7, and amendments thereto, are hereby approved for
36 the purposes of subsection (b) of K.S.A. 74-8905, and amendments
37 thereto, and the authorization of issuance of bonds by the Kansas devel-
38 opment finance authority in accordance with that statute. The provisions
39 of subsection (a) of K.S.A. 74-8905, and amendments thereto, shall not
40 prohibit the issuance of bonds for such purposes when so authorized and
41 any such issuance of bonds is exempt from the provisions of subsection
42 (a) of K.S.A. 74-8905, and amendments thereto.

43 (b) The debt service for any bonds issued pursuant to this section

1 shall be paid from revenues, including loan repayments received from
2 qualified borrowers under agreements entered into pursuant to sections
3 1 through 7, and amendments thereto, or from any other amounts avail-
4 able in the Kansas intermodal transportation revolving fund pursuant to
5 section 4, and amendments thereto, including appropriations of moneys
6 from the state general fund.

7 (c) Neither the state nor the department shall have the power to
8 pledge the full faith and credit or taxing power of the state of Kansas for
9 such purposes and any payment by the department for such purpose shall
10 be subject to and dependent on appropriations by the legislature. Any
11 obligation of the state or the department for payment of debt service on
12 bonds issued pursuant to this section shall not be considered a debt or
13 obligation of the state for the purpose of section 6 of article 11 of the
14 Kansas constitution.

(d) No governmental unit is authorized to pledge its full faith and credit or its taxing power for the purpose of repayment of any loan under this act.

15 Sec. 6. (a) Qualified borrowers which desire assistance in the form
16 of a loan, credit enhancement or grant under sections 1 through 7, and
17 amendments thereto, shall submit an application therefor to the secretary.
18 Applications shall be in such form and shall include such information as
19 the secretary shall require and shall be submitted in a manner and at a
20 time to be determined by the secretary.

21 (b) The secretary may enter into agreements with any qualified bor-
22 rower for payment of all or a part of project costs. All moneys received
23 by the secretary pursuant to such agreements shall be deposited in the
24 Kansas intermodal transportation revolving fund.

25 (c) The secretary shall provide any governmental unit, upon its re-
26 quest, with technical advice and assistance regarding a project or an ap-
27 plication for assistance. The secretary may assess reasonable fees for pro-
28 viding such assistance.

with the secretary

29 (d) Any governmental unit may enter into agreements and may accept
30 assistance as provided in this section when so authorized by its governing
31 body.

32 Sec. 7. (a) Upon the failure of a governmental unit to meet the re-
33 payment terms and conditions of an agreement, the secretary may order
34 the state treasurer to pay to the fund such portion of the governmental
35 unit's share of the special city and county highway fund as may be nec-
36 essary to meet the terms of the agreement.

This subsection shall not apply if the source of repayment of a loan with a governmental unit, as identified in the agreement, is not received by such governmental unit prior to the loan repayment date.

37 (b) Any loans received by a governmental unit under the provisions
38 of sections 1 through 7, and amendments thereto, shall be construed to
39 be bonds for the purposes of K.S.A. 10-1116 and 70-5028, and amend-
40 ments thereto, and the amount of such loans shall not be included within
41 any limitation on the bonded indebtedness of the governmental unit.

42 Sec. 8. This act shall take effect and be in force from and after its
43 publication in the Kansas register.

KANSAS CONSTITUTION

ARTICLE 11, SECTION 9

9. Internal improvements; state highway system; flood control; conservation or development of water resources. The state shall never be a party in carrying on any work of internal improvement except that: (1) It may adopt, construct, reconstruct and maintain a state system of highways, but no general property tax shall ever be laid nor general obligation bonds issued by the state for such highways; (2) it may be a party to flood control works and works for the conservation or development of water resources; (3) it may, for the purpose of stimulating economic development and private sector job creation in all areas of the state, participate in the development of a capital formation system and have a limited role in such system through investment of state funds authorized in accordance with law; (4) it may be a party to any work of internal improvement, whenever any work of internal improvement not authorized by (1), (2) or (3) is once authorized by a separate bill passed by the affirmative vote of not less than two-thirds of all members then elected (or appointed) and qualified to each house, but no general property tax shall ever be laid nor general obligation bonds be issued by the state therefor; and (5) it may expend funds received from the federal government for any public purpose in accordance with the federal law authorizing the same.

Senate Commerce Committee
March 26, 2008

Attachment 23-1