

HOUSE BILL No. 2647

AN ACT concerning communications services; relating to the Kansas department of transportation; authorizing the Kansas department of transportation to establish a statewide conduit system for fiber optic transmissions of broadband connections; establishing the Kansas broadband revolving fund for the receipt and disbursement of moneys related to such system; requiring the secretary of transportation to prepare and submit a report to the legislature regarding such system.

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

Section 1. As used in this act:

- (a) "Department" means the Kansas department of transportation.
- (b) "Equipment" means optical fibers and ancillary equipment used to support fiber optic transmission systems, including, but not limited to, transmitters, receivers, connectors, vaults and ducts.
- (c) "Revenues" means any receipts, fees, revenues or other payments received or to be received by the department under this act.
- (d) "Secretary" means the secretary of the Kansas department of transportation.
- (e) "System" means a physical infrastructure of conduit and microduct used to house optical fibers that enable the transmission of broadband connections.

Sec. 2. (a) The secretary is hereby authorized and empowered to plan, administer, construct, reconstruct, rehabilitate and maintain a system in accordance with this act. The secretary may:

(1) Enter into agreements with governmental and nongovernmental entities to install equipment in the system or use the system to the extent that the system is not needed by the department; and

(2) require entities that install equipment in the system or use the system to obtain a highway right-of-way use permit.

(b) The secretary shall:

(1) Establish a schedule of fees to be charged to entities that install equipment in the system or use the system. Such fees shall be set at an amount that is sufficient to recover the actual incremental cost incurred by the department for the administration, construction, reconstruction, rehabilitation and maintenance of the system;

(2) adopt a policy to prioritize the available space within the system; and

(3) establish standard terms and conditions that shall be included in any agreement that authorizes an entity to install equipment in the system or use the system.

(c) Nothing in this act shall require any entity to use the department's system. The department shall not require any entity to use the department's system in lieu of obtaining a highway use permit and installing such entity's own system within the state highway right-of-way. Only entities using the department's system shall be required to pay fees or costs associated with the department's system.

(d) It is the intent of the legislature that the department shall not compete with the private sector in the provision of broadband infrastructure or services.

Sec. 3. (a) There is hereby established in the state treasury the Kansas broadband revolving fund. Such fund shall be administered by the secretary. All expenditures from the Kansas broadband revolving fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or secretary's designee. All moneys received by the secretary pursuant to this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount to the credit of the Kansas broadband revolving fund.

(b) The Kansas broadband revolving fund shall consist of:

(1) Any fees paid to the secretary pursuant to section 2, and amendments thereto;

(2) amounts appropriated or otherwise made available by the legislature for the purpose of the fund;

(3) interest earned on moneys in the fund pursuant to subsection (d);

(4) amounts contributed or otherwise made available by any public or private entity, including the federal government, for use in effectuating the purposes of the fund; and

(5) amounts transferred from the state highway fund by order of the secretary.

(c) The secretary or the secretary's designee may make expenditures from the Kansas broadband revolving fund to:

(1) Plan, administer, construct, reconstruct, rehabilitate and maintain the system;

(2) pay for the administrative costs to carry out the provisions of this act; and

(3) transfer moneys from the Kansas broadband revolving fund to the state highway fund.

(d) On or before the 10th day of each month commencing on July 1, 2026, the director of accounts and reports shall transfer from the state general fund to the Kansas broadband revolving fund interest earnings based on:

(1) The average daily balance of moneys in the Kansas broadband revolving fund for the preceding month; and

(2) the net earnings rate of the pooled money investment portfolio for the preceding month.

(e) To carry out the provisions of this act, the secretary is hereby authorized to order the director of accounts and reports to transfer moneys from the state highway fund to the Kansas broadband revolving fund or from the Kansas broadband revolving fund to the state highway fund.

Sec. 4. (a) Prior to the 10th day of the regular session of the legislature each year, the secretary shall submit a written report to the governor, and the senate committee on utilities, the senate committee on transportation, the house of representatives committee on energy, utilities and telecommunications, the house of representatives committee on transportation and the house of representatives committee on transportation and public safety budget, that provides:

(1) The amount of the system constructed, reconstructed or rehabilitated during the preceding fiscal year;

(2) the costs associated with the planning, administration, construction, reconstruction, rehabilitation and maintenance of the system during the preceding fiscal year, which shall be set out for each individual category of cost;

(3) the payments made by governmental and nongovernmental entities that have entered into agreements with the secretary to install equipment in the system or use the system;

(4) a listing of the governmental and nongovernmental entities that have entered into agreements with the secretary to install equipment in the system or use the system;

(5) a listing of the governmental and nongovernmental entities that have terminated agreements with the secretary to install equipment in the system or use the system;

(6) a listing of all governmental and nongovernmental entities that have applied to install equipment in the system or use the system but have not been allowed to install equipment in the system or use the system and why such entities were denied;

(7) a listing of projects that are anticipated to be performed in the subsequent five years and the anticipated timeline for the projects;

(8) information concerning the condition and performance of the system; and

(9) an explanation of any material changes from the previous annual report.

(b) The secretary shall post such report on the official internet page of the department and provide notice of the online posting to all persons or entities requesting such notice. The secretary shall establish a virtual method for a person or entity to request such notice.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and was adopted by that body

HOUSE adopted
Conference Committee Report_____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report_____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.