

SESSION OF 2026

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2647**

As Amended by House Committee on  
Transportation

**Brief\***

HB 2647, as amended, would establish the Statewide Conduit System (System) for fiber optic transmissions of broadband connections, establish the Kansas Broadband Revolving Fund (Fund) in the State Treasury to create and maintain the System, establish a schedule of fees to be charged to entities installing or using the System, and require the Secretary of Transportation (Secretary) to provide annual reports to the Governor; Senate Committee on Utilities; Senate Committee on Transportation; House Committee on Energy, Utilities and Telecommunications; House Committee on Transportation; and House Committee on Transportation and Public Safety Budget.

***Authority of the Secretary of Transportation***

The bill would authorize the Secretary to plan, administer, construct, reconstruct, rehabilitate, and maintain the System. The Secretary would be authorized to enter into agreements with governmental and non-governmental entities to install equipment in or use the System to the extent the System is not needed by the Kansas Department of Transportation (KDOT). The bill would require entities that install equipment or use the system to obtain a highway right-of-way use permit.

The Secretary would be directed to establish a fee schedule to charge entities for installing equipment in or using

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

the System in an amount sufficient to recover actual incremental cost KDOT incurs for the System. The Secretary also would be directed to adopt a policy to prioritize available System space and establish standard terms and conditions for System installation and use agreements.

The bill would state its provisions would not require any entity to use the System. KDOT would be prohibited from requiring any entity to use the 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 System would be required to pay fees or costs associated with the System.

### ***Definitions***

The bill would define "equipment" for this purpose as optical fibers and ancillary equipment used to support fiber optic transmission systems, including, but not limited to, transmitters, receivers, connectors, vaults, and ducts. The System would be defined as a physical infrastructure of conduit and microduct used to house optical fibers that enable the transmission of broadband connections.

### ***The Kansas Broadband Revolving Fund***

The bill would establish the Fund in the State Treasury, and all expenditures would be administered pursuant to continuing law by the Secretary for the purposes of creating and maintaining the System. The Fund would consist of:

- Amounts appropriated or otherwise made available by the Legislature for the purpose of the Fund;
- Any fees paid to the Secretary pursuant to the schedule of fees established by the Secretary as authorized by the bill;

- Interest earned on moneys in the Fund that would be transferred from the State General Fund to the Fund on or before the 10th day of each month commencing on July 1, 2026, based on:
  - The average daily balance of moneys in the Fund from the preceding month; and
  - The net earnings rates of the pooled money investment portfolio for the proceeding month; and
- Any amounts contributed by private or public entities or the federal government; and
- Amounts transferred from the State Highway Fund (SHF).

The Secretary would be authorized to order the Director of Accounts and Reports to transfer moneys from the SHF to the Fund or from the Fund to the SHF to carry out the provisions of the bill.

The bill would authorize expenditures from the Fund to plan, administer, construct, reconstruct, rehabilitate, and maintain the system and to pay administrative costs to carry out the provisions of the bill.

### ***Reporting Requirements***

The bill would require the Secretary to submit an annual report to the Governor; the Senate Committee on Utilities; the Senate Committee on Transportation; the House Committee on Energy, Utilities and Telecommunications; the House Committee on Transportation; and the House Committee on Transportation and Public Safety Budget prior to the 10th day of the regular legislative session. The bill would require the report to provide:

- The amount of the System constructed, reconstructed, or rehabilitated in the preceding fiscal year;
- Costs for the System and payments received from entities for use of the System;
- A list of the entities entering into or terminating agreements for installing equipment or using the System;
- Entities that applied and were denied by KDOT to install equipment or use the System;
- A five-year project plan and timeline with information concerning the condition and performance of the System;
- Information concerning the condition and performance of the System; and
- An explanation of any material changes from the previous annual report.

The bill would require the report to be posted on the KDOT website and the Secretary to provide notice of the posting to persons or entities requesting such notice.

## **Background**

The bill was introduced by the House Committee on Transportation at the request of a KDOT representative.

## ***House Committee on Transportation***

In the House Committee hearing, **proponent** testimony was provided by representatives of KDOT and IdeaTek Telecom. The proponents generally stated that the bill would allow KDOT to take the lead on creating broadband

infrastructure along the State's highway rights-of-way to create more efficient development, expansion, and delivery of broadband services throughout the state.

Written-only proponent testimony was provided by representatives of the Kansas Department of Commerce and Health Forward Foundation.

**Neutral** testimony was provided by representatives of AT&T, Cox Communications, and the Kansas Contractors Association (KCA). The representatives stated they are neutral so long as participation in the System is not required by private entities but those entities can continue to obtain a highway use permit and install their own broadband infrastructure within the state highway right-of-way. Additionally, the representative of KCA requested bonding authority for the construction and maintenance of the System be removed from the bill, to protect bonding authority for the Eisenhower Legacy Transportation Program.

Written-only neutral testimony was provided by a representative of the Communications Coalition of Kansas.

No other testimony was provided.

The Committee amended the bill to:

- Change the name of the System to the Statewide Conduit System, with the purpose of fiber optic transmissions of broadband connections;
- Remove bonding authority of the Secretary to carry out the provisions of the bill and provisions related to payments on those bonds;
- Provide that an entity is not required to use the System, and may elect to obtain a highway use permit in lieu of using the System to construct its own system within the state highway public right-of-way;

- Provide that only entities using the System would be required to pay fees or costs associated with the System; and
- Include the Senate Committee on Transportation, House Committee on Transportation, and House Committee on Transportation and Public Safety Budget among the committees to which the annual report must be submitted.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDOT indicates enactment of the bill would increase expenditures related to planning, administering, constructing, rehabilitating, and maintaining the System. However, the precise fiscal effect cannot be estimated because the number of projects that would be initiated under the bill is unknown at this time. The bill would allow fees to be charged to recover the incremental costs incurred by KDOT, which would result in additional revenue to the agency. However, the amount of additional revenue is unknown. KDOT estimates that the revenues generated from fees that would be collected under the provisions of the bill would be sufficient to offset any costs incurred by KDOT.

The Department of Administration indicates enactment of the bill would not have a fiscal effect on the agency.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2027 Governor's Budget Report*.

Kansas Department of Transportation; Kansas Revolving Broadband Fund; broadband; fiber; state highway public right-of-way