

February 16, 2011

The Honorable Dwayne Umbarger, Chairperson  
Senate Committee on Transportation  
Statehouse, Room 441-E  
Topeka, Kansas 66612

Dear Senator Umbarger:

**SUBJECT:** Fiscal Note for SB 119 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 119 is respectfully submitted to your committee.

SB 119 would authorize the Secretary of Transportation to enter into loan agreements with any qualified local government that is specified in current law for payment of all or part of a project's costs. Any governmental unit that is a qualified local government could enter into an agreement and could accept assistance when authorized by its governing body. If a governmental unit failed to meet the repayment terms and conditions of the loan agreement, the Secretary may order the State Treasurer to pay the Rail Service Improvement Fund the portion of the local government's share of the Special City and County Highway Fund as would be necessary to meet the terms of the loan agreement.

The bill also specifies that any loans received by a government unit would be construed to be bonds and the amount of the loans would not be included within any limitation on the bonded indebtedness of the governmental unit. The bill would allow the Secretary to impose the same conditions on grants from the Rail Service Improvement Fund as would be imposed on loans from the fund. SB 119 would also remove a reference in current law to the Local Rail Freight Assistance Program, which is a federal program no longer in existence, and replace it with a more general reference to federal funding.

The Kansas Department of Transportation indicates SB 119 would have no fiscal effect to agency operations. The League of Kansas Municipalities indicates it is not possible to determine what, if any, fiscal effect passage of SB 119 would have to Kansas cities.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget