

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:35 a.m. on March 17, 2010, in Room 152-S of the Capitol.

All members were present except:

Senator Anthony Hensley- excused

Committee staff present:

Bruce Kinzie, Office of the Revisor of Statutes

Daniel Yoza, Office of the Revisor of Statutes

Julian Efird, Kansas Legislative Research Department

Jill Shelley, Kansas Legislative Research Department

Cindy Shepard, Committee Assistant

Conferees appearing before the Committee:

Glen Weisbrod, President, Economic Development Research Group

Mike Crow, Executive Director, Kansas Asphalt Pavement Association

Others attending:

See attached list.

The Chairman opened the continued hearings on **SB 498 - Transportation works for Kansas program, financing** and **SB 515 - Transportation works for Kansas, financing, sales tax on motor-vehicle fuels.**

Glen Weisbrod, President of the Economic Development Research Group and recently served as an advisor to the T-LINK Task Force, provided testimony about the impact that good transportation infrastructure has on the economy. According to Mr. Weisbrod, transportation investments can have a positive effect on the economic prosperity of a region, and in the face of ever changing regional, national, and global economies, it is important that the state maintain and expand its market access and economic competitiveness.

He continued, stating that in working with the T-LINK Task Force, KDOT (Kansas Department of Transportation) developed a project selection process that balances the need to capture engineering factors, community and regional concerns, and measurable economic impacts. He noted timing does matter - inflation eats away funding, and spending now gets "more bang for your buck." Delayed maintenance has higher costs, and traditional methods of funding transportation will need to change. Gas taxes do not rise with inflation, and combined with improving fuel efficiency, usage taxes on fuel will not cover the program's costs.

Mr. Weisbrod concluded stating investing in transportation infrastructure can grow the Kansas economy by creating jobs and increasing income. As the state of Kansas moves forward with consideration of a new transportation plan, the investments should be targeted in ways that ensure the broadest benefit and help achieve the state's broader goals (Attachment 1).

Mike Crow, Executive Director of Kansas Asphalt Pavement Association (KAPA), appeared in support of **SB 498** and **SB 515** as it relates to a new highway program. He noted that over the last two years, due to the weak economy and state deficits, more than \$200 million of substantial maintenance project funding were eliminated from KDOT. Contractors have had to lay off large numbers of employees, which in turn reduces the employees' purchasing power, eliminates their paid health insurance and eliminates a company's contributions to employees' workman compensation and unemployment. Mr. Crow concluded that KAPA is strongly in favor of a new transportation program and modest increases of user fees - gas tax, to help fund the plan. They also support projects being contracted as small as practical, so that Kansas companies can get the jobs, and a program that distributes project money equitably to all the KDOT districts (Attachment 2).

Written testimony in support of **SB 498** and **SB 515** was submitted by:

Dennis McKinney, Treasurer, State of Kansas, additional written testimony supplementing his testimony presented at the March 16 hearing (Attachment 3)

Jill Shelley, Kansas Legislative Research Department, prepared and provided estimates of vehicle registration fees and taxes in nearby states for a sample of vehicles. She noted that it is very difficult to get comparable

## CONTINUATION SHEET

Minutes of the Senate Transportation Committee at 8:35 a.m. on March 17, 2010, in Room 152-S of the Capitol.

information due to variables from state to state. The tax rates assumed for Missouri, may not be representative as they vary by county (Attachment 4).

Additionally, Ms Shelley prepared and provided the following approximate effect of state fuel tax increases on individual taxpayers:

- Increasing the motor fuels by two cents
- Increasing the motor fuels tax by seven cents
- **SB 498** proposal: Increase and index the motor fuels tax

She explained examples given for passenger vehicles that compared annual driven miles at 12,000, 20,000 and 30,000. Annual fuel prices were compared at \$2.50, \$3.50 and \$4.50 per gallon. Heavy trucks had three different levels of comparison, and both types of vehicles compared varying miles per gallon of fuel (Attachment 5).

The Chairman announced the hearings on **SB 498** and **SB 515** would continue this afternoon, on adjournment, in Room 548-S of the Capitol.

The meeting was adjourned at 9:25 a.m. The next meeting is scheduled for March 18, 2010.