

HOUSE BILL No. 2369

By Committee on Taxation

2-18

1 AN ACT concerning transportation; relating to toll projects; authorizing
2 the secretary of transportation to designate or construct toll projects;
3 changing toll project financing requirements; amending K.S.A. 68-
4 2002, 68-2004, 68-2008, 68-20120 and 68-2301 and repealing the
5 existing sections.
6

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

8 Section 1. K.S.A. 68-2002 is hereby amended to read as follows: 68-
9 2002. In order to provide for the construction of modern express highways
10 or superhighways embodying, where feasible and necessary, safety
11 devices, including center division, ample shoulder widths, long-sight
12 distances, multiple lanes in each direction and grade separation at
13 intersections with other highways and railroads, and thereby facilitate
14 vehicular traffic, provide better connections between the highway system
15 of Kansas and the highway systems of the adjoining states, remove many
16 of the present handicaps and hazards on the congested highways in the
17 state, and promote the agricultural and industrial development of the state,
18 the Kansas turnpike authority ~~(hereinafter created)~~ is hereby authorized
19 and empowered to construct, maintain, repair and operate turnpike projects
20 ~~(as hereinbefore defined)~~, and to issue revenue bonds of the authority,
21 payable ~~solely~~ *parly* from revenues, to finance such projects. No toll road
22 project shall be undertaken unless and until such project and the proposed
23 location therefor have been thoroughly studied with respect to traffic,
24 engineering, cost and financing nor unless such study shows:

25 (a) That public funds for construction of a free expressway are not
26 available;
27 (b) that the construction of a toll expressway can be financed ~~wholly~~
28 *parly* through the investment of private funds in toll road revenue bonds;
29 and

30 (c) that the project and indebtedness incurred therefor ~~will~~ *can* be
31 ~~entirely self-financing~~ *financed parly* through tolls and other income
32 from operation of the project.

33 Sec. 2. K.S.A. 68-2004 is hereby amended to read as follows: 68-
34 2004. (a) The authority is hereby authorized and empowered to:

35 (1) Adopt bylaws for the regulation of its affairs and the conduct of
36 its business;

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- 1 (2) adopt an official seal and alter the same at pleasure;
- 2 (3) maintain an office at such place or places within the state as it
- 3 may designate;
- 4 (4) sue and be sued in its own name, plead and be impleaded;
- 5 (5) determine the location, subject to the approval of the secretary of
- 6 transportation, of each turnpike project financed under the provisions of
- 7 this act, determine its design and the materials of construction, and
- 8 construct, maintain, repair and operate the same;
- 9 (6) issue turnpike revenue bonds of the authority for any of its
- 10 corporate purposes, payable ~~solely~~ partly from the tolls and revenues
- 11 pledged for their payment, and to refund its bonds, all as provided in this
- 12 act;
- 13 (7) fix and revise from time to time and charge and collect tolls for
- 14 transit over each turnpike project constructed by it;
- 15 (8) adopt rules and regulations for the use of any such turnpike
- 16 project, and adopt rules and regulations for traffic control on such project;
- 17 (9) acquire, hold and dispose of real and personal property in the
- 18 exercise of its powers and the performance of its duties under this act;
- 19 (10) designate the locations, and establish, limit and control such
- 20 points of ingress to and egress from each turnpike project as may be
- 21 necessary or desirable in the judgment of the authority to insure the proper
- 22 operation and maintenance of such project, and to prohibit entrance to
- 23 such project from any point or points not so designated;
- 24 (11) make and enter into all contracts and agreements necessary or
- 25 incidental to the performance of its duties and the execution of its powers
- 26 under this act;
- 27 (12) employ consulting engineers, attorneys, accountants,
- 28 construction and financial experts, superintendents, managers, and such
- 29 other employees and agents as may be necessary in its judgment, and to fix
- 30 their compensation;
- 31 (13) receive and accept from any federal agency grants for or in aid
- 32 of the construction of any turnpike project, and to receive and accept aid or
- 33 contributions from any source of either money, property, labor or other
- 34 things of value, to be held, used and applied only for the purposes for
- 35 which such grants and contributions may be made; and
- 36 (14) do all acts and things necessary or convenient to carry out the
- 37 powers expressly granted in this act.
- 38 (b) Violation of any of the rules and regulations adopted under this
- 39 section shall be unlawful and subject to the penalties contained in K.S.A.
- 40 8-2116, and amendments thereto.
- 41 Sec. 3. K.S.A. 68-2008 is hereby amended to read as follows: 68-
- 42 2008. Revenue bonds issued under the provisions of this act shall not be
- 43 deemed to constitute a debt of the state or of any political subdivision

1 thereof or a pledge of the faith and credit of the state or of any such
 2 political subdivision thereof, but all such bonds shall be payable ~~solely-~~
 3 ~~party~~ from the funds ~~therein~~ provided ~~therefor~~ from revenues. All such
 4 revenue bonds shall contain on the face ~~thereof~~ a statement to the effect
 5 that neither the state nor the authority shall be obligated to pay the same or
 6 the interest thereon except from revenues of the project or projects for
 7 which they are issued and that neither the faith and credit nor the taxing
 8 power of the state or any political subdivision thereof is pledge to the
 9 payment of the principal of or the interest on such bonds.

10 All expenses incurred in carrying out the provisions of this act shall be
 11 payable ~~solely party~~ from funds provided under the authority of this act
 12 and no liability or obligation shall be incurred by the authority ~~thereunder~~
 13 beyond the extent to which moneys shall have been provided under the
 14 provisions of this act.

15 Sec. 4. K.S.A. 68-20,120 is hereby amended to read as follows: 68-
 16 20,120. In addition to other powers and duties granted to the secretary of
 17 transportation:

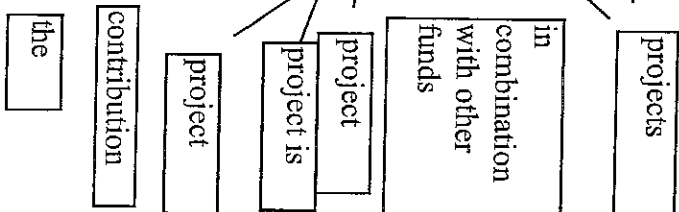
- 18 (a) (1) The secretary of transportation may study the feasibility of
- 19 constructing a ~~new~~ toll project or turnpike project or ~~designating existing~~
- 20 ~~highways or any portion of such highways, including bridges, as a toll~~
- 21 ~~project or turnpike project to increase capacity on such existing highways.~~
- 22 (2) The study of the feasibility of such toll project or turnpike project
- 23 shall include, but not be limited to:

- 24 (A) The total cost of such project;
- 25 (B) a determination of the funding of such projects, including the use
- 26 of ~~one or a combination of public funds, private funds or toll revenues;~~
- 27 (C) a determination of the duration of the collection of tolls on such
- 28 projects and if such projects are to become toll-free, a projected date when
- 29 such projects would become toll-free ~~and~~

30 (D) ~~a determination, after consulting with local officials, that traffic~~
 31 ~~volume, local participation or other relevant reasons make such tolling~~
 32 ~~project feasible and would be acceptable to the affected local community;~~
 33 ~~and~~

34 (E) such other data deemed necessary by the secretary for a
 35 determination of the projects feasibility.

36 (b) After conducting the feasibility study under subsection (a) and if
 37 such feasibility study provides a favorable result, the secretary of
 38 transportation may ~~reemend the construction of~~ construct a new toll
 39 project or turnpike project ~~or the designation of~~ designate an existing
 40 highway or any portion of such highway, including bridges, as a toll
 41 project or turnpike project to increase capacity on such existing highway;
 42 Sec. 5. K.S.A. 68-2301 is hereby amended to read as follows: 68-
 43 2301. (a) In order to provide for the construction of modern express



(c) Toll projects or turnpike projects constructed under subsection (b) shall only be constructed to add capacity to existing highways or bridges, or to construct new highways or bridges where a highway or bridge did not exist previously.

(d) Prior to constructing a toll project or turnpike project, the secretary and local unit or units of government shall prepare a joint proposal for the construction of the toll project or turnpike project and present the joint proposal to the Kansas turnpike authority and the state finance council. The secretary and local unit or units of government must receive:

- (1) A resolution passed by the Kansas turnpike authority approving of the construction of the toll project or turnpike project; and
- (2) a resolution passed by the state finance council approving the construction of the toll project or turnpike project;

(e) For purposes of subsection (d):

- (1) "Local unit or units of government" means the city council if the toll project or turnpike project will be located partially or wholly within the limits of a city, and the county commission where the toll project or turnpike project is located if the toll project or turnpike project is not wholly located within the limits of a city or cities.
- (2) "Approving" by the Kansas turnpike authority and state finance council means a vote approving the construction of the toll project or turnpike project by a majority of the members present, when a quorum of the members are present for the vote.

(f) Tolls shall be charged only on users of the additional capacity of the highway or bridge constructed as a toll project or turnpike project. Tolls shall be charged on all users of toll projects or turnpike projects that construct highways or bridges where none previously existed.

(g) The secretary shall use toll revenue for payment of the cost of the toll project or turnpike project for which the toll was collected. The secretary shall not use the toll revenue for payment of costs not associated with the toll project or turnpike project for which the toll was collected.

(h) Tolls shall be charged on all users of the toll project or turnpike project regardless of class, size or kind of traffic.

(i) The approvals by the state finance council required by subsection (d) are hereby characterized as matters of legislative delegation and subject to the guidelines prescribed in K.S.A. 75-3711(c), and amendments thereto. Such approvals may be given by the state finance council when the legislature is in session.

1 highways and freeways to link the principal population centers of the state
2 with the major express highways and freeways in this and other states,
3 facilitate vehicular traffic in the areas to be served, remove many of the
4 present handicaps and hazards on the congested highways in the state and
5 promote the agricultural and industrial development of the state, the
6 secretary of transportation is hereby authorized, empowered and directed
7 to establish and construct a state system of modern express highways and
8 freeways. The express highways and freeways within said system shall be
9 constructed pursuant to the criteria established in subsection (b) ~~of this~~
10 ~~section~~ and shall be located by the secretary of transportation within the
11 following corridors:

12 (1) Commencing in the vicinity of the intersection of U.S. highway
13 54 and the Kansas-Oklahoma border, thence proceeding in a northeasterly
14 and easterly direction, within a corridor including and generally delineated
15 by said U.S. highway 54, to the vicinity of the point in Butler county
16 where said U.S. highway 54 and state highway 96 divide; thence
17 proceeding in an easterly and southeasterly direction, generally described
18 by said highway 96, to the vicinity of the juncture of state highway 96 and
19 state highway 39; thence in a southeasterly direction, within a corridor
20 including and generally delineated by state highway 96, U.S. highway 160
21 and state highway 57, to the Kansas-Missouri border;

22 (2) commencing in the vicinity of the intersection of interstate
23 highway 70 and U.S. highway 183, near the city of Hays in Ellis county;
24 thence in a southeasterly direction to the general vicinity of the
25 intersection of the east city limits of the city of Great Bend in Barton
26 county and state highway 96; thence in an easterly and southeasterly
27 direction, within a corridor including and generally delineated by state
28 highway 96, to the vicinity of the juncture of state highway 96 and U.S.
29 highway 54 in Sedgwick county;

30 (3) commencing in the vicinity of the intersection of the north city
31 limits of the city of Hutchinson in Reno county and state highway 61;
32 thence in a northeasterly direction, within a corridor including and
33 generally delineated by state highway 61, to a point near the south city
34 limits of the city of McPherson in McPherson county;

35 (4) commencing in the vicinity of the intersection of U.S. highway 75
36 and the Kansas-Nebraska border; thence in a southerly direction, within a
37 corridor including and generally delineated by U.S. highway 75, to a point
38 near the intersection of said U.S. highway 75 and the proposed right-of-
39 way for interstate highway 35, in the vicinity of the Osage-Coffey county
40 line;

41 (5) commencing in the vicinity of the intersection of U.S. highway 36
42 and the Kansas-Missouri border; thence in a westerly direction, within a
43 corridor including and generally delineated by U.S. highway 36, to a point

1 near the intersection of U.S. highways 36 and 81; thence in a southerly
2 direction to a point in the vicinity of the intersection of said U.S. highway
3 81 and interstate highway 70;

4 (6) commencing in the vicinity of the intersection of the city limits of
5 the city of Atchison in Atchison county and state highway 7; thence in a
6 southerly direction to the vicinity of the intersection of state highway 7
7 and interstate highway 35, near the city of Olathe in Johnson county;

8 (7) commencing in the vicinity of the intersection of U.S. highway 69
9 and interstate highway 435; thence in a southerly direction, within a
10 corridor including and generally delineated by U.S. highway 69, to the
11 Kansas-Oklahoma border;

12 (8) commencing in the vicinity of the city of Lawrence in Douglas
13 county; thence in a southerly direction within a corridor which includes the
14 areas between U.S. highways 75, 59 and 169, to the Kansas-Oklahoma
15 border in the general vicinity of a point approximately between the cities
16 of Caney and Coffeyville in Montgomery county; and

17 (9) commencing in the vicinity of the intersection of the city limits of
18 the city of Lawrence in Douglas county and state highway 10; thence in an
19 easterly direction, within a corridor including and generally delineated by
20 state highway 10, to the vicinity of the intersection of interstate highway
21 35 and U.S. highways 50 and 56 in the city of Merriam in Johnson county.

22 (b) All of the moneys deposited in the state freeway fund created in
23 K.S.A. 79-3425, and amendments thereto, except moneys accruing to such
24 fund as a result of the interest or earnings from the investment of moneys
25 in the state freeway fund or in the state freeway construction fund, as
26 provided in ~~subsection (d) of~~ K.S.A. 68-2311(d), and amendments thereto,
27 shall be subject to transfer to the state highway fund, as provided by
28 K.S.A. 79-3425, and amendments thereto. After any such transfer, and
29 subject to the provisions of K.S.A. 68-2311, and amendments thereto, the
30 moneys remaining in the state freeway fund shall be expended by the
31 secretary of transportation for: The construction, reconstruction,
32 improvement and maintenance of the state system of express highways
33 and freeways established in subsection (a) of this section; for the
34 retirement of highway bonds and highway refunding bonds issued under
35 the provisions of this act; and for the purpose of making payments to the
36 Kansas turnpike authority pursuant to the provisions of K.S.A. 68-2096,
37 and amendments thereto, except that such payments shall not be made
38 from the interest or earnings from the investment of moneys in the state
39 freeway construction fund, as provided in K.S.A. 68-2311, and
40 amendments thereto. Moneys in the state freeway fund may be transferred
41 to the state highway fund and may be expended from such fund for:

42 (1) The construction of state highways within the corridors
43 designated in subsection (a) and approved by the secretary of

1 transportation prior to the effective date of this act;

2 (2) the construction of bypass routes not exceeding five miles in
3 length; and

4 (3) the reconstruction, improvement and maintenance of state
5 highways, whether or not such highways are within the corridors
6 designated in subsection (a). Such reconstruction, improvement and
7 maintenance shall be according to need as determined by priorities
8 assigned to such state highways by the secretary of transportation in
9 accordance with established standards and criteria.

10 The allocation and programming of funds within the state system in
11 each fiscal year shall be according to need, as determined by a schedule of
12 priorities assigned to segments of the existing highways which generally
13 delineate the corridors of said state system of express highways and
14 freeways. The secretary of transportation shall determine the length of
15 each such segment in establishing said priorities, and the schedule of
16 priorities shall be updated every four years on the basis of current criteria
17 at that time. Immediately after the effective date of this act, the secretary
18 of transportation shall evaluate the schedule of priorities and, where
19 necessary, reestablish such schedule in accordance with the following
20 standards and criteria. Except where it is specifically provided by law that
21 any of the highways to be constructed within the corridors designated in
22 subsection (a) shall be constructed so as to include multiple lanes in each
23 direction on roadways separated by a median, barrier or other center
24 division, all highways constructed within the state system of modern
25 express highways and freeways after the effective date of this act may be
26 constructed either with multiple lanes in each direction on roadways
27 separated by a median, barrier or other center division or may be
28 constructed with two lanes on a single roadway. Whenever the secretary of
29 transportation deems it necessary and appropriate for the safety of
30 vehicular traffic, such highways shall be designed and constructed to
31 include controlled access, passing lanes, expanded shoulder width, long-
32 sight distances, grade separations at intersections with other roads and
33 highways and railroads. Nothing herein shall be construed as abrogating,
34 limiting or otherwise affecting the construction of any highway for which
35 bids for the construction thereof have been solicited and received prior to
36 the effective date of this act, nor shall the foregoing be construed as
37 precluding the secretary of transportation, whenever the secretary deems it
38 feasible and appropriate, from acquiring right-of-way sufficient to
39 accommodate the eventual construction of multiple-lane divided highways
40 within any corridor designated in subsection (a).

41 (c) In constructing or reconstructing the state system of modern
42 express highways and freeways established in this section, the secretary
43 shall evaluate from time to time the feasibility of designating a portion or

new or added capacity