

TESTIMONY BEFORE THE SENATE WAYS AND MEANS COMMITTEE

REGARDING SB 190 AUTHORIZING TRANSFERS FROM THE STATE GENERAL FUND TO THE LOCAL AD VALORUM TAX REDUCTION FUND AND TO THE CITY AND COUNTY REVENUE SHARING FUND IF THE CITY OR COUNTY HAS A NEW ROAD CONSTRUCTION OR BRIDGE IMPROVEMENT PLAN AND THE PLAN IS APPROVED BY THE SECRETARY OF TRANSPORTATION.

March 20th, 2019

Madam Chairwoman and Committee Members:

Thank you for allowing the Kansas Department of Transportation (KDOT) to provide written neutral testimony on Senate Bill 190. Senate Bill 190 would authorize transfers from the state general fund to the local ad valorem tax reduction fund and county and city revenue sharing fund for new road construction or bridge improvement plans if the plans have been approved by the Secretary of Transportation.

Task Force transportation recommendation: This bill is one of several introduced this session based on recommendations from the important work done by the Joint Legislative Transportation Vision Task Force last fall. Part of the task force's recommendation was to give local governments more revenue options to meet their specific needs. Local roads are critical to the movement of people and goods. Providing new funding options for cities and counties gives them the ability to be responsive emerging needs. The bill before you today gives cities and counties another tool to provide revenue for transportation infrastructure improvements.

Tools for local governments: SB 190 allows for a county to submit to the secretary of transportation a plan for new construction of a road or improvement of a bridge in such county. The bill gives authority to the secretary of transportation to approve such plans. If approved, the county would receive their share of the local ad valorem tax reduction fund during the fiscal years that it takes to complete the projects.

The bill also allows a city or county to submit to the secretary of transportation a plan for new construction of a road or improvement of a bridge. If the secretary approves the plan, the city or county shall receive their respective share of the revenue sharing fund during the fiscal years that it takes to complete construction or improvements.

The bill authorizes transfers from the SGF to the local ad valorem tax reduction fund and county and city revenue sharing fund for new road construction or bridge improvement plans if the plans have been approved by the Secretary of Transportation.

Additionally, the bill asks that the secretary of transportation to report on June 15th of each fiscal year, FY 2020-FY 2030, the total amount approved in local plans. Upon receipt, the director of accounts and reports shall transfer the total amounts from the SGF to the local ad valorem tax reduction fund or the county and city revenue sharing fund. The secretary shall provide a copy of each certification to the director of budget and director of legislative research. KDOT is able to perform these functions required in the proposed bill language.

The conversation of transportation funding is changing across the country as the federal government, states, and local governments grapple with how to pay for infrastructure costs. The conversation at the federal level includes leveraging additional state and local participation for the next infrastructure program. Tying the federal conversation to the task force meetings, local governments are looking for new sources of funding for transportation priorities. For this reason and the reasons set out through the task force meetings, KDOT supports the efforts to determine additional funding sources for local government transportation needs. The legislature is best equipped to determine the most effective means to achieve additional funding sources for local governments.