

February 15, 2021

The Honorable Richard Proehl, Chairperson  
House Committee on Transportation  
Statehouse, Room 581B-W  
Topeka, Kansas 66612

Dear Representative Proehl:

**SUBJECT:** Fiscal Note for HB 2201 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2201 is respectfully submitted to your committee.

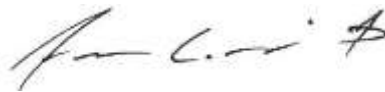
HB 2201 would amend the Eisenhower Legacy Transportation Program (IKE). Under current law, one phase of each remaining Transportation Works for Kansas (T-WORKS) Program project must be let prior to letting any new modernization or expansion project under the IKE Program. The bill would allow modernization and expansion projects under the IKE Program that utilize federal stimulus funding to be let regardless of the status of the remaining T-WORKS projects. In addition, the bill would reduce the minimum dollar threshold required for utilizing alternative delivery on a project from \$100.0 million to \$10.0 million.

Under current law, for purposes of meeting the existing 18.0 percent debt service cap, projected State Highway Fund (SHF) revenues for future fiscal years are adjusted by the historical five-year average percentage change in revenues and account for any changes in statutory rates of taxes, other charges, or transfers that comprise a portion of SHF revenues. HB 2201 would specify that projected SHF revenues for future fiscal years would be based on actual revenues of the most recently completed fiscal year and would account for any changes in statutory rates of taxes or other charges that comprise a portion of SHF revenues. In addition, any refunding bond issuance would not be subject to the 18.0 percent debt service cap.

The Kansas Department of Transportation (KDOT) states enactment of HB 2201 would not have any fiscal effect on agency operations at this time; however, it would allow KDOT flexibility to utilize federal stimulus funds that may become available. Previous federal stimulus funding the agency has received contained certain restrictions that if imposed today would limit KDOT's ability to utilize those funds. KDOT states it cannot estimate if federal stimulus funding

would be made available in the future or if there would be restrictions on the funding; however, enactment of the bill would remove potential impediments to utilization of the funding. Additionally, KDOT states enactment of the bill would allow the agency to take advantage of any potential bond refund opportunities without being restricted to the 18.0 percent debt service cap. Any fiscal effect associated with HB 2201 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: