

## HOUSE BILL No. 2201

By Committee on Transportation

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1 AN ACT concerning transportation; relating to the Eisenhower legacy  
2 transportation program; decreasing the threshold amount required for  
3 alternate delivery projects; providing for the usage of federal stimulus  
4 funds for certain projects; calculating KDOT bonding and debt cap  
5 authority; amending K.S.A. 68-2320 and 68-2328 and K.S.A. 2020  
6 Supp. 68-2314c, 68-2332 and 75-5094 and repealing the existing  
7 sections.  
8

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

10 Section 1. K.S.A. 2020 Supp. 68-2314c is hereby amended to read as  
11 follows: 68-2314c. (a) In order to plan, develop and operate or coordinate  
12 the development and operation of the various modes and systems of  
13 transportation within the state, the secretary of transportation is hereby  
14 authorized and directed to initiate the Eisenhower legacy transportation  
15 program.

16 (b) (1) The Eisenhower legacy transportation program shall provide  
17 for the construction, improvement, reconstruction and maintenance of the  
18 state highway system. The program shall provide for the selection of  
19 projects that will allow for the flexibility to meet emerging and economic  
20 needs. Program expenditures may include, but may not be limited to, the  
21 following:

22 (A) Preservation projects to efficiently maintain a state highway  
23 system in its original or improved condition and in a state of good repair.  
24 The secretary shall establish targets for the state highway system condition  
25 that reflect the reasonable, realistic expectations that have historically  
26 existed in providing a safe and efficient state highway system. The  
27 secretary shall utilize reasonable, sound and accepted methods to  
28 determine the annual preservation investment needed to achieve the state  
29 targets and provide optimum cost effectiveness in keeping the long-term  
30 state highway system condition meeting such targets. It is the intent of the  
31 legislature that the secretary, prior to completion of the transportation  
32 program, shall spend or encumber from the state highway fund  
33 preservation projects in an amount equal to or exceeding 10 times the  
34 determined average annual preservation investment. The secretary shall  
35 manage cash-flow and project lettings such that there is reasonable  
36 assurance that preservation projects shall be fully funded each year.

1 Pursuant to this subparagraph, preservation projects refer to maintenance,  
2 repairs or replacement of existing infrastructure. Federal funding from  
3 federal grants or federal stimulus may be used for preservation projects;

4 (B) preservation plus projects to efficiently maintain a state highway  
5 system and include additional safety or technology elements, or both, in  
6 the preservation project. Such additional elements may include, but may  
7 not be limited to, adding paved shoulders, adding passing lanes, adding  
8 traffic signals, adding intelligent transportation system elements or laying  
9 broadband fiber or the conduit for broadband fiber. It is the intent of the  
10 legislature that the secretary has the authority to enhance preservation plus  
11 projects with the addition of safety or technology improvements, or both.  
12 Federal funding from federal grants or federal stimulus may be used for  
13 preservation plus projects;

14 (C) expansion and economic opportunity projects, that include  
15 additions to the transportation system, or that improve access, relieve  
16 congestion and enhance economic development opportunities. The Kansas  
17 department of transportation shall develop and utilize criteria for the  
18 selection of expansion and economic opportunity projects. The selection  
19 criteria shall include, but shall not be limited to, engineering and traffic  
20 data, local consultation, geographic distribution and an economic impact  
21 analysis evaluation; and

22 (D) modernization projects that include improvements to the  
23 transportation system by widening lanes or shoulders, making geometric  
24 improvements, upgrading interchanges or building rail grade separations to  
25 improve the safety, condition or service of the highway system. The  
26 Kansas department of transportation shall develop and utilize criteria for  
27 the selection of modernization projects. The selection criteria shall include,  
28 but shall not be limited to, engineering data, local consultation and  
29 geographic distribution.

30 (2) The department of transportation shall develop criteria for the  
31 incorporation of practical improvements into designs of the projects  
32 specified in this subsection.

33 (c) Except as further provided, the Eisenhower legacy transportation  
34 program shall provide for the completion of modernization and expansion  
35 projects selected for construction under the transportation works for  
36 Kansas program pursuant to K.S.A. 68-2314b, and amendments thereto.  
37 Such projects shall be let prior to July 1, 2023. The secretary shall let to  
38 construction contract at least one phase of each remaining transportation  
39 works for Kansas program project before any new modernization or  
40 expansion project, or both, under the Eisenhower legacy transportation  
41 program are let to construction. A transportation works for Kansas  
42 program selected project in Harvey county generally described as an  
43 approximate one-mile reconstruction of the I-135 and 36<sup>th</sup> street

1 interchange may not be constructed. If such project is not constructed, the  
2 estimated construction costs for such project shall be used on other  
3 construction projects in the Kansas department of transportation's south-  
4 central district. *Notwithstanding the provisions of this subsection, the*  
5 *secretary may let to construction at any time any modernization or*  
6 *expansion projects under the Eisenhower legacy transportation program*  
7 *that utilize federal stimulus funds regardless of whether transportation*  
8 *works for Kansas program projects, or any phase thereof, have been let.*

9 (d) The Eisenhower legacy transportation program shall provide for  
10 assistance, including credit and credit enhancements, to cities and counties  
11 in meeting their responsibilities for the construction, improvement,  
12 reconstruction and maintenance of transportation improvements. Such  
13 programs may use criteria developed by the Kansas department of  
14 transportation for the incorporation of practical improvements into designs  
15 of projects. Expenditures under this subsection may include, but may not  
16 be limited to, the following:

17 (1) Apportionment of the special city and county highway fund to  
18 assist cities and counties with their responsibilities for roads and bridges  
19 not on the state highway system;

20 (2) programs to share federal aid with cities and counties to assist  
21 with their responsibilities for roads and bridges not on the state highway  
22 system;

23 (3) programs to assist cities with the maintenance of city connecting  
24 links as specified in K.S.A. 68-416, and amendments thereto, and local  
25 partnership programs to resurface or geometrically improve city  
26 connecting links or to promote economic development;

27 (4) programs similar to the Kansas department of transportation's  
28 local bridge improvement program to aid local public authorities in  
29 replacing or repairing bridges not on the state highway system;

30 (5) programs to assist cities and counties with railroad crossings of  
31 roads not on the state highway system; or

32 (6) programs that allow local governments to exchange federal aid  
33 funds for state funds.

34 (e) The Eisenhower legacy transportation program shall provide for a  
35 railroad program to provide assistance in accordance with K.S.A. 75-5040  
36 through 75-5050, and amendments thereto, for the preservation and  
37 revitalization of rail service in the state.

38 (f) The Eisenhower legacy transportation program shall provide for  
39 an aviation program to provide assistance for the planning, constructing,  
40 reconstructing or rehabilitating the facilities of public use general aviation  
41 airports, in accordance with K.S.A. 75-5061, and amendments thereto.

42 (g) The Eisenhower legacy transportation program shall provide for  
43 public transit programs to aid elderly persons, persons with disabilities and

1 the general public, in accordance with K.S.A. 75-5032 through 75-5038  
2 and 75-5051 through 75-5058, and amendments thereto.

3 (h) The Eisenhower legacy transportation program shall provide for a  
4 transportation technology program to provide for multimodal  
5 transportation-related projects that support innovative technology, in  
6 accordance with K.S.A. 2020 Supp. 75-5093, and amendments thereto.

7 (i) The Eisenhower legacy transportation program shall provide for a  
8 multimodal program to provide transportation improvement assistance for  
9 bike facilities, pedestrian facilities or other transportation-sensitive  
10 economic opportunities on a local or a regional basis.

11 (j) The Eisenhower legacy transportation program shall allow the  
12 secretary to award certain state highway system projects using alternative  
13 delivery procurement methods, other than an award of a design-bid-build,  
14 as provided for in K.S.A. 2020 Supp. 68-2332, and amendments thereto.

15 (k) The Eisenhower legacy transportation program shall provide for a  
16 broadband infrastructure construction program, in accordance with K.S.A.  
17 2020 Supp. 75-5094, and amendments thereto.

18 (l) (1) State highway fund revenues that include, but are not limited to,  
19 motor fuel taxes, vehicle registrations, sales and compensating use  
20 taxes and eligible federal aid shall be used in the following order of  
21 priority:

22 (A) To pay bond covenant obligations;

23 (B) to pay for agency operations;

24 (C) to make city connecting link payments authorized under K.S.A.  
25 68-416, and amendments thereto; and

26 (D) to pay for needed preservation projects as set forth in subsection  
27 (b)(1).

28 (2) Any such revenues not spent pursuant to subsection (l)(1)(A)  
29 through (D) may be used for other purposes and authority given to the  
30 secretary.

31 (3) All new bonds issued for the purposes of the Eisenhower legacy  
32 transportation program shall be paid using all state highway fund revenue,  
33 including revenue collected or received pursuant to K.S.A. 79-3620(c) and  
34 79-3710(c), and amendments thereto.

35 (m) (1) The secretary shall, using the Kansas department of  
36 transportation selection methods and criteria, determine the projects to be  
37 selected for inclusion under the Eisenhower legacy transportation program.  
38 Consideration may be given to additional criteria that may include projects  
39 that:

40 (A) Remove transportation infrastructure from the state highway  
41 system;

42 (B) identify priority corridors;

43 (C) include local monetary participation; or

1 (D) reduce project size.

2 (2) (A) It is the intent of the legislature that the secretary shall  
3 develop a metric-driven process that determines a reasonable and fair  
4 minimum amount of state highway fund moneys to be spent on new  
5 modernization and expansion projects in each of the Kansas department of  
6 transportation's districts over the duration of the Eisenhower legacy  
7 transportation program.

8 (B) The process for determining the minimum amount of  
9 modernization and expansion project moneys shall be subject to the  
10 following:

11 (i) Adding together the minimum moneys set for each of the Kansas  
12 department of transportation's districts pursuant to paragraph (2)(A), the  
13 total shall be at least 50% of the estimated cost of constructing all  
14 modernization and expansion projects let to contract in the Eisenhower  
15 legacy transportation program.

16 (ii) If the estimated cost of constructing all modernization and  
17 expansion projects in the Eisenhower legacy transportation program  
18 increases or decreases by more than 10%, then the minimum amount will  
19 be adjusted accordingly while still satisfying ~~subparagraph~~ *paragraph* (2)  
20 (B)(i).

21 (iii) For each of the Kansas department of transportation's districts, at  
22 least 40% of the minimum amounts determined in paragraph (2)(A), or  
23 adjusted amounts according to paragraph (2)(B)(ii), shall be let to  
24 construction contract by the end of year five of the Eisenhower legacy  
25 transportation program, and 100% of the minimum amounts determined in  
26 paragraph (2)(A), or adjusted amounts according to paragraph (2)(B)(ii),  
27 shall be let to construction contract by year 10 of the Eisenhower legacy  
28 transportation program.

29 (iv) Any modernization or expansion projects remaining from the  
30 transportation works for Kansas program pursuant to K.S.A. 68-2314b,  
31 and amendments thereto, shall not be considered when determining the  
32 minimum amounts in paragraph (2)(A) or (2)(B)(i).

33 (3) The secretary shall select projects for development every two  
34 years. The secretary shall select projects for construction every two years.  
35 The secretary is not required to construct every project selected for  
36 development. The selection of projects for development and construction  
37 shall take place every two years, after consultation with local jurisdictions.

38 (n) It is the intent of the legislature that the secretary take the actions  
39 necessary to have transportation improvement projects ready to let to  
40 construction as cash-flow management allows.

41 (o) The secretary, prior to June 30, 2030, shall develop a long-range  
42 transportation plan that examines, but is not limited to, transportation  
43 policy, project selection criteria and selection methods used in the

1 Eisenhower legacy transportation program, transportation funding sources  
2 and Eisenhower legacy transportation program project categories. The  
3 long-range transportation plan shall make recommendations for a new  
4 transportation program for the state of Kansas. The long-range  
5 transportation plan shall be developed after consultation with the governor  
6 of the state of Kansas and state and local elected officials.

7 Sec. 2. K.S.A. 68-2320 is hereby amended to read as follows: 68-  
8 2320. (a) On and after July 1, 1991, the secretary of transportation is  
9 hereby authorized and empowered to issue bonds of the state of Kansas,  
10 payable solely from revenues accruing to the state highway fund and  
11 transferred to the highway bond debt service fund and pledged to their  
12 payment, for the purpose of providing funds to pay costs relating to  
13 construction, reconstruction, maintenance or improvement of highways in  
14 this state and to pay all expenses incidental thereto and to the bonds. The  
15 secretary is hereby authorized to issue bonds the total principal amount of  
16 which shall not exceed \$890,000,000.

17 (b) In addition to the provisions of subsection (a), on and after July 1,  
18 1999, the secretary of transportation is hereby authorized and empowered  
19 to issue bonds of the state of Kansas, payable solely from revenues  
20 accruing to the state highway fund and transferred to the highway bond  
21 debt service fund and pledged to their payment, for the purpose of  
22 providing funds to pay costs relating to construction, reconstruction,  
23 maintenance or improvement of highways in this state and to pay all  
24 expenses incidental thereto and to the bonds. The secretary is hereby  
25 authorized to issue bonds the total principal amount of which shall not  
26 exceed \$1,272,000,000.

27 (c) (1) In addition to the provisions of subsections (a) and (b), on and  
28 after July 1, 2010, the secretary of transportation is hereby authorized and  
29 empowered to issue additional bonds of the state of Kansas, payable solely  
30 from revenues accruing to the state highway fund and transferred to the  
31 highway bond debt service fund and pledged to their payment, for the  
32 purpose of providing funds to pay costs relating to construction,  
33 reconstruction, maintenance or improvement of highways in this state and  
34 to pay all expenses incidental thereto and to the bonds. On and after the  
35 effective date of this act, except as provided further, no bonds shall be  
36 issued by the secretary pursuant to this subsection unless the secretary  
37 certifies that, as of the date of issuance of any such series of additional  
38 bonds, the maximum annual debt service on all outstanding bonds issued  
39 pursuant to this section and K.S.A. 68-2328, and amendments thereto,  
40 including the bonds to be issued on such date, will not exceed 18% of  
41 projected state highway fund revenues for the current or any future fiscal  
42 year. During the fiscal year ending June 30, 2018, and the fiscal year  
43 ending June 30, 2019, the limitation on the amount of the maximum total

1 amount of principal on all outstanding bonds issued pursuant to this  
2 subsection and K.S.A. 68-2328, and amendments thereto, for the purpose  
3 of issuing any such series of additional bonds authorized by the secretary  
4 shall be \$1,700,000,000 of the total principal for the transportation works  
5 for Kansas program authorized under K.S.A. 68-2314b et seq., and  
6 amendments thereto. The provisions of this section relating to limitations  
7 of bonded indebtedness shall not in any way impair the rights and  
8 remedies of the holders of any bonds issued prior to the effective date of  
9 this act.

10 (2) As used in this subsection:

11 (A) "Maximum annual debt service" means the maximum amount of  
12 debt service requirements on all outstanding bonds for the current or any  
13 future fiscal year;

14 (B) "debt service requirements" means, for each fiscal year, the  
15 aggregate principal and interest payments required to be made during such  
16 fiscal year on all outstanding bonds, including the additional bonds to be  
17 issued, less any interest subsidy payments expected to be received from  
18 the federal government, less any principal and interest payments  
19 irrevocably provided for from a dedicated escrow of United States  
20 government securities;

21 (C) "projected state highway fund revenues" means all revenues  
22 projected by the secretary of transportation to accrue to the state highway  
23 fund for the current or any future fiscal year; and

24 (D) "fiscal year" means the fiscal year of the state.

25 (3) Debt service requirements for variable rate bonds outstanding or  
26 proposed to be issued for the current or any future fiscal year for which the  
27 actual interest rate cannot be determined on the date of calculation shall be  
28 deemed to bear interest at an assumed rate equal to the average of the  
29 SIFMA swap index, or any successor variable rate index, for the  
30 immediately preceding five calendar years plus 1% and an amount  
31 determined by the secretary that represents the then current reasonable  
32 annual ancillary costs associated with variable rate debt, including credit  
33 enhancement, liquidity and remarketing costs; except that, debt service  
34 requirements for variable rate bonds that are hedged pursuant to an interest  
35 rate exchange or similar agreement that results in synthetic fixed rate debt  
36 shall be deemed to bear interest at the synthetic fixed rate plus .5% and an  
37 amount determined by the secretary that represents the then current  
38 reasonable annual ancillary costs associated with variable rate debt,  
39 including credit enhancement, liquidity and remarketing costs.

40 (4) Projected state highway fund revenues for the current or any  
41 future fiscal year for which the actual revenues cannot be determined on  
42 the date of calculation shall be deemed to be the actual revenues for the  
43 most recently completed fiscal year, ~~adjusted in each subsequent fiscal~~

1 year by a percentage equal to the historical average annual increase or  
2 decrease in revenues for the five fiscal year period prior to the current  
3 fiscal year, and further adjusted to take into account any increases or  
4 decreases in the statutory rates of any taxes or other charges or transfers  
5 that comprise a portion of the revenues.

6 (d) In accordance with procurement statutes, the secretary may  
7 contract with financial advisors, attorneys and such other professional  
8 services as the secretary deems necessary to carry out the provisions of  
9 this act, and to do all things necessary or convenient to carry out the  
10 powers expressly granted in this act.

11 Sec. 3. K.S.A. 68-2328 is hereby amended to read as follows: 68-  
12 2328. (a) Bonds may be issued for the purpose of refunding, either at  
13 maturity or in advance of maturity, any bonds issued under this act, any  
14 interest on such bonds or both bonds and the interest thereof. Such  
15 refunding bonds may either be sold or delivered in exchange for the bonds  
16 being refunded. If sold, the proceeds may either be applied to the payment  
17 of the bonds being refunded or deposited in trust and there maintained in  
18 cash or investments for the retirement of the bonds being refunded, as shall  
19 be specified by the secretary and the authorizing resolution or trust  
20 indenture securing such refunding bonds. The authorizing resolution or  
21 trust indenture securing the refunding bonds may provide that the  
22 refunding bonds shall have the same security for their payment as provided  
23 for the bonds being refunded. Refunding bonds shall be sold and secured  
24 in accordance with the provisions of this act pertaining to the sale and  
25 security of the bonds. Any bonds that have been issued pursuant to this  
26 section shall not be counted toward the limit on the aggregate principal  
27 amount of bonds established under ~~subsections (a) and (b)~~ of K.S.A. 68-  
28 2320(a) and (b), and amendments thereto, *and such bonds shall not be*  
29 *subject to the limitations on the issuance of bonds established under*  
30 *K.S.A. 68-2320(c), and amendments thereto.*

31 (b) When all bonds issued under article 23 of chapter 68 of the  
32 Kansas Statutes Annotated, and amendments thereto, have either been paid  
33 or the lien of such bonds shall have been defeased in accordance with their  
34 terms so that the bonds are deemed to have been paid, the secretary of  
35 transportation shall certify such facts to the director of accounts and  
36 reports and upon receipt of such certification the director of accounts and  
37 reports shall transfer all moneys in the state freeway fund to the state  
38 highway fund and upon such transfer all liabilities of the state freeway  
39 fund are hereby transferred to and imposed upon the state highway fund  
40 and the state freeway fund is hereby abolished. Upon the abolition of the  
41 state freeway fund, any reference to the state freeway fund or any  
42 designation thereof, in any statute, contract or other document shall mean  
43 the state highway fund.



1       Sec. 4. K.S.A. 2020 Supp. 68-2332 is hereby amended to read as  
2 follows: 68-2332. (a) The Eisenhower legacy transportation program shall  
3 allow the secretary of transportation to award certain state highway system  
4 projects using alternative delivery procurement methods other than award  
5 of a design-bid-build contract to the lowest bidder as provided in K.S.A.  
6 68-410, and amendments thereto, subject to the following:

7       (1) Projects selected for alternative delivery shall not include  
8 preservation projects as described in K.S.A. 2020 Supp. 68-2314c, and  
9 amendments thereto;

10       (2) alternative delivery may be used on three projects utilizing toll  
11 revenues for construction and maintenance of the project. One project  
12 utilizing toll revenues may be let to construction once every three years;

13       (3) not more than 3% of dollars spent in the Eisenhower legacy  
14 transportation program shall be used on alternative delivery. An additional  
15 2% of dollars spent in the Eisenhower legacy transportation program shall  
16 be available for use on alternative delivery starting in fiscal year 2023. The  
17 dollar value of the three projects utilizing toll revenues referenced in  
18 paragraph (2) and projects obtained through federal grants or federal  
19 stimulus shall not be considered in determining the limits set forth in this  
20 paragraph; and

21       (4) any project utilizing alternative delivery shall equal or exceed  
22 ~~\$100,000,000~~ \$10,000,000 in costs.

23       (b) In addition to the requirements in subsection (a), alternative  
24 delivery projects in the Eisenhower legacy transportation program shall be  
25 subject to the following requirements and restrictions:

26       (1) Procurement methods for transportation alternative delivery  
27 projects may provide for a single contract or multiple contracts that  
28 include, but are not limited to, services for preconstruction, design,  
29 construction, construction management, maintenance, operation, financing  
30 or a combination thereof;

31       (2) the Kansas department of transportation shall develop and utilize  
32 criteria for selecting whether alternative delivery or design-bid-build  
33 procurement process is in the best interest of the state. No project will be  
34 selected for alternative delivery without having been evaluated under the  
35 selection criteria established by the department. The selection criteria shall  
36 include, but not be limited to, the need for accelerated schedule, safety  
37 needs, project complexity, opportunity for innovation and economic  
38 development; *and*

39       (3) the Kansas department of transportation shall develop and utilize  
40 procedures for advertising proposals, receiving proposals, evaluating  
41 proposals, awarding contracts and administering contracts in its alternative  
42 delivery procurement program, and the procurement procedures in K.S.A.  
43 68-408 through 68-410, 75-430a and 75-5804 through 75-5807, and

1 amendments thereto, shall not apply to transportation alternative delivery  
2 projects.

3 (c) Notwithstanding any requirements set forth in subsections (b) or  
4 (c), the alternative delivery procedures shall include:

5 (1) A two-phase best value competitive selection or contracting  
6 process in which the first phase consists of short listing no more than four  
7 proposers based on qualifications identified in the request for  
8 qualifications and the second phase consists of the submission of price or  
9 technical proposals, or both, in response to a request for proposal;

10 (2) advertisement of requests for qualifications in the Kansas register  
11 for at least three consecutive weeks;

12 (3) prequalification of contractors performing construction and of  
13 firms performing professional technical services by the secretary in  
14 accordance with existing state statutes, regulations, and department  
15 procedures governing prequalification and licensing;

16 (4) a bond for performance and payment or alternative security  
17 guaranteeing contract performance and payment obligations for supplies,  
18 materials and labor furnished for the alternative delivery project; and

19 (5) a requirement that firms and key personnel identified in the  
20 qualifications phase and scored to determine the shortlist may not be  
21 replaced during the alternative delivery project without the Kansas  
22 department of transportation's written approval.

23 (d) Notwithstanding any other provision of law to the contrary, a  
24 contracting entity selected for an alternative delivery project shall not be in  
25 violation of K.S.A. 74-7001 et seq., and amendments thereto, and the  
26 contract entered into by such contractor shall not be void if such contractor  
27 obtains the professional services by subcontracting with an entity or  
28 entities duly licensed or holding a certificate of authorization to perform  
29 professional services in accordance with K.S.A. 74-7001 et seq., and  
30 amendments thereto.

31 (e) Notwithstanding the provisions of K.S.A. 68-419a, and  
32 amendments thereto, a contracting entity selected for an alternative  
33 delivery project that is responsible for preparing or furnishing design plans  
34 and specifications, through its own organization or by subcontracting as  
35 provided in subsection (d), shall be liable for damages arising out of  
36 design defects in such plans and specifications resulting in injury to  
37 persons or damage to property, occurring after completion of the contract  
38 and acceptance thereof by the Kansas department of transportation, if and  
39 to the extent such injury or damage arises out of a failure to exercise the  
40 degree of learning and skill ordinarily possessed by a reputable contractor  
41 or by a technical professional practicing in Kansas in the same or similar  
42 locality and under similar circumstances. Nothing contained in this  
43 subsection shall be construed as abrogating, limiting or otherwise affecting

1 any cause of action accruing to the state or any agency or instrumentality  
2 thereof that was a party to such contract.

3 Sec. 5. K.S.A. 2020 Supp. 75-5094 is hereby amended to read as  
4 follows: 75-5094. (a) The secretary of transportation is hereby authorized  
5 and empowered to make grants for construction projects, the purpose of  
6 which is to expand and improve broadband service in the state of Kansas.  
7 The secretary of transportation is authorized to make such grants when  
8 working jointly with the office of broadband development within the  
9 department of commerce.

10 (b) There is hereby established in the state treasury the broadband  
11 infrastructure construction grant fund. All moneys credited to such fund  
12 shall be used to provide grants for the expansion of broadband service in  
13 the state of Kansas. All expenditures from such fund shall be made in  
14 accordance with the provisions of appropriation acts and upon warrants of  
15 the director of accounts and reports issued pursuant to vouchers approved  
16 by the secretary of transportation or the secretary's designee.

17 (c) Grants made by the secretary of transportation from the  
18 broadband infrastructure construction grant fund shall reimburse grant  
19 recipients for up to 50% of actual construction costs in expanding and  
20 improving broadband service in the state of Kansas. Such grant  
21 reimbursements shall be upon such terms and conditions as the secretary  
22 of transportation may deem appropriate, in coordination with the secretary  
23 of commerce.

24 (d) On July 1, 2020, and each July 1 thereafter through July 1, 2022,  
25 the director of accounts and reports shall transfer \$5,000,000 from the state  
26 highway fund to the broadband infrastructure construction grant fund. On  
27 July 1, 2023, and each July 1 thereafter through July 1, 2030, the director  
28 of accounts and reports shall transfer \$10,000,000 from the state highway  
29 fund to the broadband infrastructure construction grant fund. At the end of  
30 each fiscal year, the secretary of transportation is hereby authorized to  
31 notify the director of accounts and reports to transfer all remaining and  
32 unencumbered funds from the broadband infrastructure construction grant  
33 fund to the state highway fund.

34 Sec. 6. K.S.A. 68-2320 and 68-2328 and K.S.A. 2020 Supp. 68-  
35 2314c, 68-2332 and 75-5094 are hereby repealed.

36 Sec. 7. This act shall take effect and be in force from and after its  
37 publication in the statute book.