



Kansas Grain and Feed Association  
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February 14, 2023

To: House Committee on Transportation  
From: Randy Stookey, Senior Vice President & General Counsel, Renew Kansas, KGFA, KARA  
**Re: Joint Proponent Testimony on House Bill 2335, authorizing loans or grants for qualified track maintenance in the rail service improvement program and increasing the transfer from the state highway fund to the rail service improvement fund.**

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Chairman Francis and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 2335. This testimony is submitted jointly on behalf of Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association (Renew Kansas).

KGFA is the state association of the grain receiving, storage, processing, and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association whose membership includes over 700 companies across Kansas. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Our member grain elevators, biofuel processing plants, and agribusiness facilities contribute to the Kansas economy and provide gainful employment at livable wages for thousands of Kansans across the state. These industries also function as good corporate citizens, paying millions of dollars in property taxes annually to support schools and local government.

Our member agribusinesses, biofuel facilities, and commercial grain elevators work with Kansas farmers to provide inputs and receive, store, and transport grain and biofuels. It is vital to our state economy that agricultural inputs efficiently reach Kansas farmers, and that Kansas produced grains and biofuels are economically transported to market.

Access to short line rail results in cost savings for farmers when purchasing ag inputs, and in higher cash prices offered for their crops. This is especially important in this current economic climate of high inflation.

While many Kansas agribusinesses and grain elevators rely on commercial trucking to transport inputs and commodities, others are located on rail, including short line rail, and are able to take advantage of this much more efficient and economical mode of transportation.

House Bill 2335 simply restructures two existing short line rail maintenance and improvement cost share programs that have successfully allowed many short line rail and rail siding projects to move forward.

The bill encourages private and public investment in rail transport capacity and represents sound public policy in the growth of Kansas agriculture – our state’s single largest economic sector.

Investment in this short line rail improvement cost-share program benefits all Kansans. In 2023 alone, the Kansas Department of Transportation estimates that applications to the program would have provided the following economic benefits to the state:

- 365,751 fewer trucks on the road
- 90,862 additional available rail cars
- \$6.126 million in savings through reduced highway damage
- \$68.95 million in economic benefits from increased transportation efficiencies
- \$12.58 million in safety benefits
- \$3.08 million in benefits from reduced emissions

Without continued maintenance of short line rail, much of the current rail freight traffic of agricultural inputs and grain or biofuel exports would be pushed onto more costly semi-trucks - resulting in an additional one-thousand commercial trucks per day onto Kansas roads. These additional trucks would lead to a tremendous increase in road and highway congestion, and increased wear and tear and maintenance costs on Kansas roads.

Under the bill, owners of industrial rail siding may also apply for the cost share program. These investments are necessary to ensure rail siding at the facility is compatible to receive rail cars. Loss of this rail access, however, decreases property values and property taxes for the affected facilities – negatively affecting the local property tax base.

For all of these reasons, House Bill 2335 represents a sound investment in the Kansas economy, and we stand in strong support of the bill.

Thank you for allowing us the opportunity to testify in support of House Bill 2335. We respectfully request that the committee pass the bill out favorably.