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MEMORANDUM

To: House Committee on Transportation
From: Office of Revisor of Statutes
Date: February 14, 2023
Subject: Bill Brief – HB 2335

HB 2335 authorizes loans or grants for certain qualified track maintenance in the rail service improvement program and increases the transfer from the state highway fund to the rail service improvement fund.

K.S.A. 75-5048 contains the Rail Service Improvement Program and the associated fund. The Rail Service Improvement Program allows the Secretary of Transportation to use money transferred from the State Highway Fund to provide loans or grants to certain qualified entities for the purpose of facilitating the financing, acquisition or rehabilitation of railroads and rolling stock in Kansas.

HB 2335 would provide that those loans or grants can also be provided to qualified entities for “qualified track maintenance.” A qualified entity would be expanded from its current definition to any surface transportation board certificated railroad, a class II or class III railroad or any owner or lessee industry track located on or adjacent to a class II or class III railroad. Qualified track maintenance is defined in the bill as gross expenditures for the maintenance, reconstruction or replacement of railroad track, including roadbed, bridges, industrial leads and side track, and related track structures to the extent the expenditures are on track located in the state of Kansas and such track was owned or leased by a qualified entity. Additionally, HB 2335 increases the transfer from the State Highway Fund to the Rail Service Improvement Fund from \$5,000,000 to \$10,000,000.