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MEMORANDUM

To: Members of the Senate Committee on Transportation

From: Adam Siebers, Assistant Revisor

Date: March 16, 2023

Subject: House Bill No. 2335

Summary

House Bill No. 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.

House Bill No. 2335 would provide that those loans or grants can also be provided to qualified entities for “qualified track maintenance.” A qualified entity includes class II or class III railroads and would exclude Class I railroads. 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, House Bill No. 2335 increases the transfer from the State Highway Fund to the Rail Service Improvement Fund from \$5,000,000 to \$10,000,000.