

February 13, 2023

The Honorable Shannon Francis, Chairperson
House Committee on Transportation
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Francis:

SUBJECT: Fiscal Note for HB 2335 by House Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2335 is respectfully submitted to your committee.

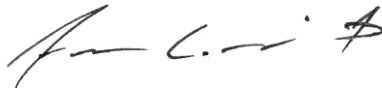
HB 2335 would add “qualified track maintenance” to the purposes for which loans and grants may be made from the Rail Service Improvement Fund. The bill defines “qualified track maintenance” and would amend the definition of “qualified entity.” The bill would also increase the amount that is transferred from the State Highway Fund to the Rail Service Improvement Fund from \$5.0 million to \$10.0 million beginning on July 1, 2023.

The Kansas Department of Transportation (KDOT) indicates the Short Line Rail Improvement Fund was created with the enactment of the Eisenhower Legacy Transportation Program (IKE). KDOT notes the IKE Transportation Program legislation authorized \$5.0 million to be transferred from the State Highway Fund to the Short Line Rail Improvement Fund in FY 2021, FY 2022, and FY 2023. KDOT states HB 2335 would instead transfer this amount to the Rail Service Improvement Fund beginning in FY 2024 to be used on all qualified entities, including short line railroads.

According to KDOT, enactment of the bill would allow the Short Line Rail Improvement Program and the Rail Service Improvement Program to be combined into one program. KDOT states combining these programs would improve efficiencies by streamlining the application and review process for all rail projects if the bill is enacted. KDOT also notes that enactment of the bill would increase expenditures from the Rail Service Improvement Fund by \$5.0 million in FY

2024. Any fiscal effect associated with HB 2335 is not reflected in *The FY 2024 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: Brendan Yorkey, Department of Transportation