

**HOUSE BILL No. 2335**

By Committee on Transportation

2-7

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1 AN ACT concerning transportation; relating to the rail service  
2 improvement program; authorizing loans or grants for qualified track  
3 maintenance; providing a definition for qualified track maintenance;  
4 increasing the transfer amount from the state highway fund to the rail  
5 service improvement fund; amending K.S.A. 2022 Supp. 75-5048 and  
6 repealing the existing section.  
7

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

9 Section 1. K.S.A. 2022 Supp. 75-5048 is hereby amended to read as  
10 follows: 75-5048. (a) The secretary of transportation is hereby authorized  
11 to make loans or grants to a qualified entity for the purpose of facilitating  
12 the financing, acquisition, *qualified track maintenance* or rehabilitation of  
13 railroads and rolling stock in the state of Kansas.

14 (b) Such loans or grants shall be made upon such terms and  
15 conditions as the secretary may deem appropriate, and such loans or grants  
16 shall be made from funds credited to the rail service improvement fund.

17 (c) The rail service improvement fund is hereby established in the  
18 state treasury which shall be for the purpose of facilitating the financing,  
19 acquisition, *qualified track maintenance* and rehabilitation of railroads  
20 pursuant to subsection (a) ~~of this section~~ and for the refinancing thereof.  
21 The secretary shall administer the rail service improvement fund. All  
22 expenditures from the rail service improvement fund shall be made in  
23 accordance with appropriation acts upon warrants of the director of  
24 accounts and reports issued pursuant to vouchers approved by the  
25 secretary or by a person or persons designated by the secretary.

26 (d) All moneys received from the federal government; pursuant to  
27 K.S.A. 75-5026, and amendments thereto, shall be remitted to the state  
28 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
29 amendments thereto. Upon receipt of each such remittance, the state  
30 treasurer shall deposit the entire amount in the state treasury to the credit  
31 of the rail service improvement fund.

32 (e) The management and investment of the rail service improvement  
33 fund shall be in accordance with K.S.A. 68-2324, and amendments thereto.  
34 Notwithstanding anything to the contrary, all interest or other income of

1 the investments, after payment of any management fees, shall be  
2 considered income of the rail service improvement fund.

3 (f) On July 1, ~~2013~~ 2023, and each July 1 thereafter, the director of  
4 accounts and reports shall transfer ~~\$5,000,000~~ \$10,000,000 from the state  
5 highway fund to the rail service improvement fund. The secretary is  
6 hereby authorized to transfer moneys from the state highway fund to the  
7 rail service improvement fund or from the rail service improvement fund  
8 to the state highway fund. In no event shall the amount remaining in the  
9 rail service **improvement** fund and the amount spent or dedicated for  
10 loans or grants in each fiscal year be less than ~~\$5,000,000~~ \$10,000,000.

11 (g) As used in this section:

12 (1) (A) "Qualified entity" means:

13 ~~(A)(i) Any interstate commerce commission-certificated surface~~  
14 ~~transportation board-certificated class II or class III railroad; as defined~~  
15 ~~in 49 C.F.R. § 1201.1-1(a), as in effect on July 1, 2023;~~

16 ~~(B)(ii) a port authority established in accordance with Kansas laws;~~  
17 ~~or;~~

18 ~~(C)(iii) any entity meeting the rules and regulations established by~~  
19 ~~K.S.A. 75-5050, and amendments thereto; or~~

20 ~~(D) a class II or class III railroad as defined in 49 C.F.R. § 1201.1-~~  
21 ~~1(a), as in effect on July 1, 2023; or~~

22 ~~(E)(iv) any owner or lessee industry track, as defined in 49 C.F.R. §~~  
23 ~~218.93, as in effect on July 1, 2023, located on or adjacent to a class II~~  
24 ~~or class III railroad in the state of Kansas; and.~~

25 **(B) "Qualified entity" does not include a class I railroad as**  
26 **defined in 49 C.F.R. § 1201.1-1(a), as in effect on July 1, 2023.**

27 (2) "Qualified track maintenance" means gross expenditures for the  
28 maintenance, reconstruction or replacement of railroad track, including  
29 roadbed, bridges, industrial leads and side track, and related track  
30 structures to the extent the expenditures are on track located in the state of  
31 Kansas and such track was owned or leased by a qualified entity, as  
32 defined in paragraph (1)(D) or (E) as of July 1, 2023.

33 Sec. 2. K.S.A. 2022 Supp. 75-5048 is hereby repealed.

34 Sec. 3. This act shall take effect and be in force from and after its  
35 publication in the ~~statute book~~ **Kansas register**.