

75-5046. Railroad loan guarantee program; requirements; restrictions. (a) Subject to the provisions of subsection (f), the secretary of transportation is hereby authorized upon application by a qualified entity and its lender to enter into an agreement to guarantee the repayment of loans made for the purpose of facilitating the financing, acquisition or rehabilitation of railroads in the state of Kansas.

(b) Such agreement may contain such terms and conditions as the secretary of transportation may deem appropriate to carry out the purposes of this section, except that the aggregate unpaid principal amount of obligations guaranteed thereby shall not exceed \$20,000,000 of which not more than \$5,000,000 may be available each fiscal year. Any loan guaranteed by the secretary of transportation pursuant to this section, at a minimum, shall meet the following requirements:

(1) The ratio of benefits to costs for any project funded by such guaranteed loan shall be greater than one. The benefit/cost methodology to be used for this determination shall be the most recent standard benefit/cost methodology approved by the federal railroad administration of the United States department of transportation;

(2) the qualified entity shall demonstrate that it is financially sound and capable of fulfilling all obligations created by the proposed loan guarantee agreement; and

(3) the qualified entity shall demonstrate that adequate funding for the proposed project is not otherwise available, on terms that would make the proposed project financially feasible, in the absence of a state loan guarantee.

(c) Prior to any loan being guaranteed under the provisions of this section, the secretary of transportation shall make a determination as to whether the guaranteeing of such loan would adversely affect the rating of any bonds issued and outstanding or authorized to be issued. If the guaranteeing of such loan would adversely affect the rating of such bonds, the secretary of transportation shall not guarantee such loan. Such determination shall be documented in writing by the secretary of transportation.

(d) The secretary of transportation may adopt rules and regulations consistent with and for the purpose of implementing the provisions of this section, including the priorities contained in subsection (a) of K.S.A. 75-4045, and amendments thereto.

(e) "Qualified entity" means any interstate commerce commission certificated railroad, a port authority established in accordance with Kansas laws, or any entity meeting the rules and regulations established by this section.

(f) The secretary of transportation shall not enter into any agreement to guarantee a loan under the provisions of this section unless such action has been authorized by act of the legislature or has been approved by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c, and amendments thereto, except that such approval may also be given when the legislature is in session.

History: L. 1991, ch. 149, § 7; L. 1999, ch. 137, § 23; July 1.