

BUDGET REVIEW SUBCOMMITTEE ON TRANSPORTATION

Minutes of the 2nd Meeting of the 2025 Interim

July 15, 2025

Call to Order and Roll Call

The second meeting of the Budget Review Subcommittee on Transportation of the Interim Joint Committee on Appropriations and Revenue was held on July 15, 2025, at 10:30 AM in Room 131 of the Capitol Annex. Representative Ken Upchurch, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Ken Upchurch Co-Chair; Senator Donald Douglas Co-Chair; Senators Cassie Chambers Armstrong and Jimmy Higdon; Representatives John Blanton, Josh Branscum, Randy Bridges, Thomas Huff, Mary Beth Imes, and Ashley Tackett Laferty.

Guests: Mark Carter, Commissioner of Aviation, KYTC; Jeremy Edgeworth, Freight Rail, and Waterways Coordinator and Federal Program Specialist, Dept. of Highways, KYTC; Brian Wright, Executive Director, Owensboro Riverport Authority and Chair, KY Association of Riverports; and, John Moore, Deputy State Highway Engineer, Dept. of Highways, KYTC.

LRC Staff: Justin Perry, Jeremy Simpson, and Spring Emerson.

Approval of Minutes

Co-Chair Douglas moved to approve the minutes of the June 4, 2025 meeting. The motion was seconded by Representative Blanton, and the minutes were approved without objection.

Airport Projects

Commissioner Carter provided information on Airport Projects in Kentucky.

In response to questions from Chair Upchurch regarding the need for hangars, Mr. Carter said the twenty-five projects included some renovations for box hangars as well as T-hangars. There were approximately sixty T-hangars, and four or five box hangars, which are intended for corporate aircraft use. Out of fifty-three General Aviation airports, approximately forty-five of them reported a need for T-hangars.

In response to a question from Co-Chair Douglas regarding timeliness, Mr. Carter said the timing of projects from origination to completion has been good. The biggest challenge has been with contractors, since there are only two hangar builders in Kentucky.

In response to questions from Senator Higdon, Mr. Carter said the jet fuel fee generates approximately \$23 million per year, which has increased from \$19 million in 2021.

Riverport Projects

Mr. Edgeworth provided information on Riverport Projects in Kentucky and Mr. Wright provided information relating to the Owensboro Riverport Authority.

In response to a question from Chair Upchurch, Mr. Wright said the top five capital needs for riverports across the entire state amounts to approximately \$90 million. The majority of funds used in Phase One were for revitalization in order to bring the ports up to par. The funds for Phase Two are for modernization and enhancement of capacity. Most projects are in the two to five year range, but a good portion of those on the top five list tend to be longer-term projects, primarily due to permitting requirements and the necessity of working with the US Army Corps of Engineers. Chair Upchurch commented that it is necessary in order to make Kentucky more competitive.

In response to a question from Co-Chair Douglas regarding equipment deterioration at the Owensboro Riverport, Mr. Wright said the useful life of the skid steers currently in use is approximately three to five years before being replaced for reliability purposes. The two units being replaced have already required \$20,000 to \$30,000 just to keep them operational.

In response to a question from Co-Chair Douglas regarding the number of bids received, Mr. Edgeworth said it is dependent on the area, the type of equipment, and the requirement for advertisements for public bidding.

In response to a question from Senator Higdon regarding a volume increase due to investments, Mr. Wright said a study conducted in 2020 indicated future growth.

In response to a question from Senator Higdon regarding container freight, Mr. Wright said that has not developed up to the Ohio River due to the speed of moving barges and the ships that would be required to move the freight in a timely fashion. Also, it currently takes ten to fourteen days for containers to move up, but the shipping companies owning the containers expect a six day turnaround.

Electric Vehicle Charging Program

Mr. Moore provided information on the Electric Vehicle Charging Program.

In response to a question from Chair Upchurch regarding the amount of usage, as well as revenues being generated by the three percent fee on current installations, Mr. Moore said

there are three units under operation. In fiscal year 2024, the excise tax brought in \$1.4 million, and in fiscal year 2025, it brought in \$3.1 million.

In response to a question from Senator Higdon, Mr. Moore said there are different types of chargers. Level One chargers are used in homes, and Level Two chargers are known as an all-day charge, then there is the DCFC, which are known as fast chargers.

In response to a question from Co-Chair Douglas regarding the cost ratio of hybrid vehicles versus combustion engines, Mr. Moore said the offset depends upon how much a vehicle travels, as well as fuel efficiency. Hybrid vehicles are essentially hyper-efficient combustion vehicles.

In response to a question from Representative Bridges, Mr. Moore said the ownership fee for electric vehicles was established to help offset lost revenue from combustion vehicles.

In response to a question from Senator Armstrong, Mr. Moore said this program is designed to increase dependability in rural areas. The program has not been in existence long enough to have the data required to determine the impact on travelers throughout the state.

Adjournment

The next meeting is scheduled for Wednesday, August 20, 2025, at 10:30 AM in room 131 of the Capitol Annex. There being no further business before the subcommittee, the meeting was adjourned at 11:27 AM.