

## MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 p.m. on January 27, 2009, in Room 783 of the Docking State Office Building.

All members were present except Representative Virgil Peck who was excused.

## Committee staff present:

Betty Boaz, Committee Assistant  
Hank Avila, Kansas Legislative Research Department  
Jill Shelley, Kansas Legislative Research Department  
Bruce Kinzie, Office of the Revisor of Statutes

## Others attending:

See attached list.

The next meeting is scheduled for January 29, 2009.

The meeting was adjourned at 2:40 p.m.

The meeting was called to order by Chairman Hayzlett who opened the meeting with bill introductions.

Representative Burgess asked to introduce three bills. The first bill concerned a Kansas Arts License plate. Representative Burgess made a motion, seconded by Representative Menghini and the motion carried. According to Representative Burgess the next two bills were requested by Chris Maurick with ABATE. Representative Burgess made a motion, seconded by Representative Menghini and the motion carried.

Representative Maloney asked to introduce a bill clarifying classification of an A-B license as a farm vehicle and can operate under a class C license within a 150 miles radius of a farmers location. Representative Maloney made the motion, it was seconded by Representative Swanson and the motion carried

Representative Dillmore was recognized and asked the Committee to introduce two bills for the Department of Revenue. One bill concerned increasing the fees for vehicle license tags. The other bill concerned increasing penalties on infractions of failure to yield. A motion was made by Representative Menghini seconded by Representative Ballard and the motion carried.

Terry Heidner, Legislative Liaison for Kansas Department of Transportation asked to have three bills introduced. The first bill would empower law enforcement to move a vehicle out of the lane of traffic if there has been an accident or the vehicle is obstructing the flow of traffic. The second bill would broaden the group of people who have the authority to control traffic. A motion was made by Representative Swanson, seconded by Representative Ballard and the motion carried.

Mr. Heidner said the third bill involved increasing the fees on permits for oversize or overweight vehicles. A motion was made by Representative Menghini, seconded by Representative Swanson and the motion carried.

Representative Mah asked for a bill to be introduced concerning the license requirements of automobile recyclers and crushers. A motion was made by Representative Menghini to accept this bill, seconded by Representative Ballard and the motion carried.

Representative Vickrey asked to introduce a bill that would exempt any person or organization sponsoring any distinctive license plate authorized by the legislature on or after July 1, 2004, from submitting a nonrefundable amount not to exceed \$10,000. A motion was made by Representative Vickrey, seconded by Representative Swanson and the motion carried.

Representative Long, on behalf of Representative Ruiz, asked to introduce a bill prohibiting the sending, reading or writing text messages while operating a motor vehicle. A motion was made by Representative Long, seconded by Representative Ballard and the motion carried.

CONTINUATION SHEET

Minutes of the House Transportation Committee at 1:30 p.m. on January 27, 2009, in Room 783 of the Docking State Office Building.

Representative Tapanelli came forward and asked to introduce the graduated drivers license for teens. He said there were three distinct pieces added. A motion was made by Representative Swanson, Seconded by Representative Wetta and the motion carried.

Tom Whitaker, Executive Director, Kansas Motor Carriers Association asked to introduce a bill concerning the Towing and Recovery Lien Law. A motion was made by Representative Swanson, seconded by Representative Worley and the motion carried.

There being no additional requests for bill introductions, the Chairman introduced Tom Whitaker who made a presentation on "Trucking 101".

Mr. Whitaker introduced Jason Hammas with Frito Lay, Topeka, and Ken Leicht with Rawhide Trucking out of Hutchinson, Kansas.

According to Mr. Whitaker 92% of all trucking companies in Kansas operate 19 or fewer trucks. He said the trucking industry in Kansas provides 92,627 jobs and that the trucking industry pays 46 percent of all taxes and fees owed by Kansas motorists, despite trucks representing only 10.3 percent of the miles traveled in the state. Mr. Whitaker said 3,065 trucking companies operating five or more trucks failed in 2008 with high diesel fuel prices being the primary contributor to the bankruptcies. He said fuel prices had fallen in 2009 but so had the amount of available freight. (Attachment 1)

After all questions were answered, there being no further business before the Committee the meeting was adjourned at 2:40 pm.





# Trucking 101

Presented to the

**Senate Transportation Committee**  
**Senator Dwayne Umbarger,**  
**Chairman**

**House Transportation Committee**  
**Representative Gary Hayzlett,**  
**Chairman**



*Kansas Motor Carriers Association*

**January 27, 2009**

**By**

**Tom Whitaker, Executive Director, Kansas Motor Carriers Association**  
**Kevin Gregg, Director of Industry Relations, Kansas Motor Carriers Association**

House Transportation  
Date: 1-27-09  
Attachment # 1

**MR. CHAIRMAN AND MEMBERS OF THE TRANSPORTATION COMMITTEE;**

I am Tom Whitaker, executive director of the Kansas Motor Carriers Association. I appear before you today along with Kevin Gregg, KMCA's director of industry relations, representing our 1,100 member-firms and the Kansas trucking industry. Our goal today is to provide members of the Transportation Committee with a brief overview of trucking in Kansas or as we have titled this presentation, "Trucking 101."

When the general public thinks of trucking companies, they envision the large companies such as UPS, FedEx and Yellow. Actually, the Kansas trucking industry is made up of many small businesses. 92% of all trucking companies in Kansas operate 19 or fewer trucks; only one-half of one percent of the companies operates more than 100 trucks.

2008 was a tough year for trucking. 3,065 trucking companies operating 5 or more trucks failed. These bankruptcies idled 137,650 trucks, or 7% of the heavy trucks on the road. High diesel fuel (see attachment No. 1) prices were the number one contributor to these bankruptcies. 2009 is not much brighter. Fuel prices have fallen but so has the amount of available freight leading to more favorable shipping rates due to increased competition for that freight.

Here are some Kansas trucking "Fast Facts" (see attachment No. 2):

- The trucking industry in Kansas provides 92,627 jobs.
- Total trucking industry wages paid in Kansas are \$3.7 billion.
- 49 percent of Kansas communities depend exclusively on trucks
- The trucking industry pays 46 percent of all taxes and fees owed by Kansas motorists, despite trucks representing only 10.3 percent of the miles traveled in the state.

## TYPES OF MOTOR CARRIERS

**Private Carriers:** Those that transport their own goods in commerce.

**For-Hire Carriers:** Those that transport goods of others for a fee.

**Interstate Motor Carriers:** Those that transport goods across state lines or in continuation of an interstate movement.

**Intrastate Motor Carriers:** Those that transport goods wholly within the State of Kansas.

### TYPES OF CARRIERS THAT MAKE UP THE KMCA MEMBERSHIP

- Aggregate Carriers ( sand, gravel and fill material)
- Agricultural Carriers (grain, livestock, farm machinery and fertilizer)
- Less-than-Truckload Carriers (one shipment made up of several smaller shipments on regular routes)
- Household Goods Carriers (movers)
- Oilfield & Heavy Machinery (oilfield services and Oversized/Overweight loads)
- Private Carriers (transport own product)
- Tank Truck Carriers (gasoline, diesel, chemicals, cement or flour)
- Towing and Recovery Carriers (disabled vehicle transportation)
- Truckload Carriers ( each shipment usually a trailer full of the same product over irregular routes)
- Auto Hauler (new and used vehicles)

### OPERATING AUTHORITY REQUIRED

**USDOT Number:** All interstate and intrastate private and for-hire carriers operating vehicles with a gross vehicle weight rating (GVWR) of 10,001 pounds or more.

**Federal Motor Carrier Safety Administration Operating Authority:** All for-hire interstate motor carriers except those transporting exempt commodities (grain & livestock).

## Requirements for Interstate Authority:

- \$300 application fee
- 48 State Process Agents
- \$750,000, \$1,000,000 or \$5,000,000 liability insurance
- Uniform Carrier Registration (fees listed below)

**Uniform Carrier Registration Fees:** All interstate for-hire and private carriers (including farmers) operating vehicles with a GVWR in excess of 10,000 pounds.

0 -2 vehicles (trucks, truck tractors and trailers) - \$39.00 per year

3 – 5 vehicles - \$116.00 per year

6 – 20 vehicles - \$231.00 per year

21 – 100 vehicles - \$806.00 per year

101 – 1000 vehicles - \$3,840.00 per year

1001 or more - \$37,500.00 per year

## **Kansas Intrastate For-Hire Authority – Kansas Corporation Commission**

### Requirements:

- \$250.00 application fee
- \$10 per vehicle per year (unless fees paid through UCR)
- Financial Statement
- Liability Insurance filing
- Cargo Insurance filing
- Attend KCC Safety Class
- Tariff Filing (Household Good Movers Only)

## **Kansas Intrastate Private Carrier Permit**

### Requirements:

- \$100.00 application fee
- \$10 per vehicle per year (unless fees paid through UCR)
- Liability Insurance filing
- Attend KCC Safety Class



## TRUCK REGISTRATION FEES

### 80,000 lb. Tractor trailer combination

Kansas - \$1,770

Colorado - \$2,370

Iowa - \$1,695

Missouri - \$1,050

Nebraska - \$1,286

Oklahoma - \$948.00

### Kansas Registration Fee Schedule (see attachment No. 3)

### International Registration Plan (Apportioned Registration)

#### Allocation formula:

$$\frac{\text{Kansas Miles}}{\text{Total Operational Mileage/Per annum}} = \% \text{ Kansas miles}$$

#### Example:

Kansas - 50% miles - Reg. Fee = 867.50

Colorado - 10% miles - Reg. Fee = 237.00

Iowa - 20% miles - Reg. Fee = 339.00

Nebraska - 10% miles - Reg. Fee = 128.60

Oklahoma - 10% miles - Reg. Fee = 94.80

Totals - 100% miles - Total Reg. Fee = 1666.90

## **IRP Qualified Vehicle:**

- Power unit having two or more axles and a gross weight in excess of 26,000 lbs.; or
- Power unit having three or more axles; or
- Used in combination, when the weight of such combination exceeds 26,000 lbs.

## **All state are required by federal law to participate in IRP**

### **Motor/Special Fuel Tax**

<u>State</u>	<u>Gasoline</u>	<u>Diesel</u>
KS	\$.24 per gallon	\$.26 per gallon
CO	\$.22 per gallon	\$.205 per gallon
MO	\$.17 per gallon	\$.17 per gallon
NE	\$.26 per gallon	\$.26 per gallon
OK	\$.16 per gallon	\$.13 per gallon

**Federal Fuel Tax:** Gasoline - \$.184 per gallon Diesel - \$.244 per gallon

### **International Fuel Tax Agreement (IFTA)**

Forty-seven of the forty-eight contiguous states and ten Canadian provinces require interstate motor carriers to report how much fuel they use within the borders of their state or province, and pay fuel tax based on these reports. This fuel "use" tax enables jurisdictions to assess highway user fees on all motor carriers that travel on its roads, not just those that purchase fuel and pay tax at the pump within the state.

The motor carrier is required to register for the tax and obtain cab cards and external decals for the vehicles, and send quarterly reports. The IFTA credential fee is \$10.00 per year for the first vehicle and \$1.00 for each additional vehicle. IFTA "qualified vehicles" are the same size and weight as those governed under the IRP.

## **IFTA (continued)**

In order for a state to participate in IFTA, such state must agree to audit a certain percentage of each size of motor carrier based in that state. Like IRP, federal law requires state participation in IFTA.

Motor carriers can chose to purchase "trip permits" in lieu of registering for IFTA. This process can be burdensome and expensive for the motor carrier.

### **Other Taxes and Fees:**

- **Motor Carrier Property Tax** – All interstate (whether or not the carrier is based in Kansas) and intrastate for-hire motor carriers are subject to the Motor Carrier Property Tax. The property tax is apportioned based on your miles traveled in Kansas versus total miles traveled. The tax is assessed at the state level and the mill levy based on the statewide average mill levy from all jurisdictions. The assessment rate is 25%. An amount equal to the total motor carrier property tax is supposed to be transferred to the city and county highway fund; however, in recent years this transfer has been capped.
- **Federal Heavy Vehicle Use Tax** – The annual Federal Heavy Vehicle Use tax is \$100.00 plus \$22.00 per 1,000 pounds of gross weight for vehicles weighing more than 54,999 lbs. gross weight up to a ceiling of \$550.00 for vehicles weighing 75,000 lbs. gross vehicle weight or more. There is a 7,500 mile exemption for farm vehicles.
- **Federal Excise Tax on Tires** – The federal excise tax on a typical 11 x 24.5 truck tire is approximately \$36.00 per tire or \$648.00 for an 18-wheeler.
- **Federal Excise Tax on New Equipment** – A 12% Federal Excise Tax applies on new trucks and truck tractors with a gross vehicle weight rating of more than 33,000 lbs. and trailers with a gross vehicle weight rating of more than 26,000 lbs. A truck tractor semitrailer combination costing \$150,000 would pay \$18,000 in tax.
- **Tolls** – Toll for a 5- axle truck tractor semitrailer to travel the Kansas Turnpike from the eastern terminal to the southern terminal is \$28.25.

## **Truck Size and Weights:**

**Length** – The overall length of a truck tractor semitrailer combination is based on the length of the semitrailer. Kansas law allows a maximum of 59 feet 6 inches for a semitrailer. The industry standard for a semitrailer is 53 feet. For a truck tractor semitrailer and trailer combination (twins), the maximum trailer length is 28 feet 6 inches. The overall length limitations for a stinger steered automobile or boat transporter and a combination unit used to transport a combine in a custom harvesting operation is 75 feet. A straight truck is limited to 45 feet and any other combination of vehicles is limited to 65 feet.

**Width** – The maximum width of a vehicle is 8 feet 6 inches.

**Height** – The maximum height of a vehicle is 14 feet except for vehicles transporting cylindrically shaped bales of hay which is 14 feet 6 inches.

**Weight** – The maximum gross weight of a vehicle or combination of vehicles on the interstate system is 80,000 lbs. A maximum vehicle weight of 85,500 lbs. is allowed on all other highways.

Kansas law limits the weight on a single axle to 20,000 lbs. and a tandem axle to 34,000 lbs. (see attachment No. 4) Axle spacing is dictated by the federal bridge formula. (see attachment No. 5)

Examples of calculating truck weights.

Straight Truck – Attachment No. 6

5-axle Truck Tractor Semitrailer Combination – Attachment No. 7

5-axle Truck Tractor Semitrailer Combination (Spread) – Attachment No. 8

6-axle Truck Tractor Semitrailer Combination – Attachment No. 9

**Longer Combination Vehicles** – Vehicle combinations with a length limitation of 125 feet and a weight limitation of 120,000 lbs. (subject to axle weights and bridge formula spacing) are allowed on the Kansas Turnpike. Twenty mile access is allowed from the east end of the turnpike and 10 mile access is allowed from all other turnpike exits. Triple trailer combination vehicles are also allowed on I-70 from Goodland to the Kansas-Colorado border. In 1991, Congress froze any expansion of routes for longer combination vehicles.

## **Safety Requirements:**

### **Definition of a “commercial vehicle”:**

1. A vehicle with a gross vehicle weight rating or gross combination weight rating of 10,001 pounds or more;
2. A vehicle designed to transport 16 or more passengers, including the driver;
3. A vehicle designed to transport more than six passengers, including the driver operating in intrastate commerce for hours of service regulation under 49 CFR Part 395 only; or
4. A vehicle used in the transportation of hazardous materials in a quantity requiring placarding under Title 49 Part 172, Subpart F.

**All commercial motor vehicles and drivers of such vehicles are subject to the Federal Motor Carriers Safety regulations. The regulations include:**

- Vehicle Marking
- Driver Qualification
- Emergency Equipment
- Lighting
- Liability Insurance Limits
- Load Securement
- Vehicle Inspection
- Maintenance & Repair
- Hours of Service
- Hazardous Materials Transportation

**For commercial motor vehicles in excess of 26,000 lbs. gross vehicle weight rating are subject to the following regulations:**

- Drug and Alcohol Testing
  1. Pre-employment testing
  2. Random Testing
  3. Reasonable Cause Testing
  4. Post Accident Testing

- Commercial Drivers License

Endorsements:

1. Air Brakes
2. Double/Triple Trailers
3. Passenger
4. Tank Vehicle
5. Hazardous Materials (Federal Background Check required)
6. School Bus

Mr. Chairman, on behalf of the Kansas Motor Carriers Association we thank you for allowing us to present "Trucking 101." I would be please to respond to any questions you may have.

**Presented by:**

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