

March 13, 2014

The Honorable Richard Proehl, Chairperson
House Committee on Transportation
Statehouse, Room 581-W
Topeka, Kansas 66612

Dear Representative Proehl:

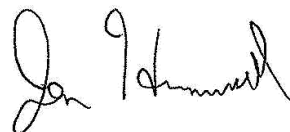
SUBJECT: Fiscal Note for HB 2748 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2748 is respectfully submitted to your committee.

HB 2748 would exempt some motor carriers from rules and regulations administered by the Kansas Corporation Commission (KCC). The bill would add language to exempt motor carriers with a gross vehicle weight rating of 26,000 pounds or less transporting tools, property, or materials within a 150 mile radius of the principal place of business of the motor carrier. The exemption would not apply to vehicles transporting hazardous materials. In addition, the bill would delete language for the "tools of the trade" definition of using tools in repair, building, or construction work, and replace it with "tools, property, or materials"

The fiscal effect from HB 2748 for the KCC would be negligible; however, the Kansas Highway Patrol (KHP) indicates that passage of the bill, which exempts certain motor carriers from regulation, could affect federal highway funds coming in to the state, and could also eliminate funding for the KHP's Motor Carrier Safety Program. Currently, approximately \$3.0 million from the federal Motor Carrier Safety Program is received, and 80.0 percent of that funding, or \$2.4 million, funds the state's Motor Carrier Safety Program at the KHP. The Department of Transportation also indicates the bill could result in less federal financial aid. Creating this new exemption jeopardizes federal support as Kansas would no longer have laws consistent with federal requirements.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Tom Day, KCC
Steve Neske, Department of Revenue
Ben Cleaves, Transportation