

SESSION OF 2014

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 273**

As Recommended by House Committee on
Transportation

Brief*

House Sub. for SB 273 would require a county treasurer to process applications for registration of commercial vehicles if the county processes any vehicle registration applications, and it would change the exemptions from certain requirements applicable to commercial motor vehicles that are used only within Kansas.

The bill would increase from 25 miles to 125 miles a radius within which a private motor carrier could operate without having to obtain any certificate, license, or permit from the Kansas Corporation Commission (KCC) or file rates, tariffs or annual reports or provide proof of insurance with the KCC.

The bill also would amend a "tools of the trade" exemption from safety requirements for certain vehicles that have gross vehicle weight ratings of 26,000 pounds or less and do not transport hazardous materials requiring a placard. Such a vehicle carrying tools, property or material belonging to the owner would be exempt if the vehicle operates within a radius of 125 miles of the motor carrier's principal place of business. The vehicle also would be exempt if it is carrying tools, property or material to or from an active construction site within a radius of 125 miles, rather than 25 miles as under current law, of the carrier's principal place of business and the motor carrier is not operating as a motor carrier for hire while carrying such tools, property, or material.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

SB 273, as introduced, would have created a Rotary International distinctive license plate. (Those provisions are included in Sub. for HB 2452.) The House Committee on Transportation removed those contents and substituted the contents of HB 2748 as amended.

HB 2748. In the bill's hearing before the House Transportation Committee, Representative Schwartz, Representative Hoffman, the owner of a landscape business in Topeka, a representative of the Wichita Area Builders Association, a homebuilder and concrete and masonry contractor from Derby, and a representative of a home-building company from Wichita presented proponent testimony. Written proponent testimony was received from the president of the Kansas Association of Well Service Contractors. The points made by the proponents in support of expanding exemptions from commercial vehicle safety requirements included the increased size of the vehicles used by small businesses to carry tools and needed supplies, inconsistent interpretations of activity qualifying for the construction exemption, a restriction of a 25-mile radius from the principal place of business to qualify for the exemption is smaller than modern trade areas, and some safety requirements appropriate for over-the-road commercial vehicles are unnecessary for small commercial vehicles.

A representative of the Kansas Highway Patrol (Patrol) spoke as an opponent of the bill on behalf of the Patrol, the KCC, and the Kansas Motor Carriers Association (KMCA). The representative stated the bill, as introduced, could lead to reductions in federal highway funding. He discussed safety violations frequently seen on small commercial vehicles and gave examples of safety requirements from which these carriers would be exempt. A representative of the KCC, speaking as an opponent to the bill, said an additional exemption could cause more confusion about the safety requirements and the number of crashes involving heavy-duty trucks decreased by 24.0 percent in 2000 through 2010

but the number of crashes involving lightweight commercial vehicles increased by 34.0 percent over that period. The points of a representative of the KMCA included that creating uniformity with federal regulations by removing exemptions from Kansas' safety requirements would create consistency within the rules and result in increased compliance. There was no neutral testimony.

As introduced, the bill also would have increased the radius a grain truck exempt from safety requirements could travel, from 50 miles to 150 miles. According to opponent testimony, this provision would have meant the state was not in compliance with federal regulations and its enactment could lead to reductions in federal funding to the state of approximately \$3 million for the Motor Carrier Safety Assistance Program and possible federal highway funding suspension of nearly \$16 million in the first year after enactment. The House Committee amended the bill to remove that provision.

The House Committee on Transportation also amended the bill to require all county treasurers to register commercial vehicles if they register any vehicles; to amend an exemption from KCC economic regulation; to change the proposed increase in the tools of the trade exemption radius from 150 miles to 125 miles; and to specify a motor carrier cannot operate as a motor carrier for hire and qualify for a tools of the trade exemption.

The fiscal note on HB 2748, as introduced, states the fiscal effect on the KCC would be negligible. It also states the Patrol reported the state could lose \$2.4 million for the Motor Carrier Safety Program and the Department of Transportation also indicates the bill could result in less federal financial aid. No fiscal note on the substitute bill was available at the time of Committee action.