

Approved: 3/14/07  
Date

## MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:05 A.M. on March 1, 2007 in Room 231-N of the Capitol.

All members were present except:

Brenda Landwehr- excused  
Delia Garcia- excused  
Kasha Kelley- excused  
Lana Gordon- excused  
Mike Kiegerl- excused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department  
Duston Slinkard, Office of Revisor of Statutes  
Stephen Bainum, Committee Assistant

Conferees appearing before the committee:

Tom Whitaker, Executive Director, Kansas Motor Carriers Association

Others attending:

See attached list.

The Chairman asked for approval of the minutes that had been distributed earlier to the committee. Representative Humerickhouse made a motion to approve the minutes, seconded by Representative Grange. The motion passed by voice vote.

The Chairman opened the hearing on **SB 235 - Employment security law exclusions from definition of employment.**

Tom Whitaker, Executive Director, Kansas Motor Carriers Association testified as a proponent of **SB 235 (Attachment 1)**. He indicated that the bill clarifies that an owner-operator leased to a licensed motor carrier is not considered an employee under the provisions of the Employment Security Act. The Kansas Motor Carriers thought that this was taken care of by **HB 2772** which was passed in 2006 but cases continue to come before the Department of Labor. On February 8<sup>th</sup> the Department of Labor brought the issue to the Employment Security Council for discussion. The Council plans to meet on the issue on Monday, March 5, 2007. Passage of **SB 235** would provide Kansas motor carriers a level playing field to compete for owner-operators to move the nation's goods.

Representative Ruff asked if the subject was one truck and one owner, not three or more. Tom answered that that was correct. It applies only to an owner-operator of a truck. If I own three trucks and hire three drivers and then lease them to a trucking company, at that time I am an employer for the three drivers. This bill does not get into that situation.

The Chairman asked how the vote fared in the Senate. Tom replied that it was 39 to 1. This is consistent with what is happening in other states and with the practice that has been extant in the past.

Representative Huntington asked how the shortage of drivers would affect the industry. If our carriers don't have the option in Kansas of using owner-operators then it would put them at a great disadvantage to other states. He mentioned the major concentration of carriers in Joplin, Missouri that use owner-operators. This bill would allow Kansas to do the same.

Representative Pauls asked if there was any opposition to the bill. Tom replied that there was no opposition to their part of the bill and that the Department of Labor like the bill.

No further questions were asked and the Chairman closed the hearing on **SB 235.**

The Chairman adjourned the meeting at 9:20 A.M.