

SESSION OF 2020

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2524

As Amended by Senate Committee on
Transportation

Brief*

HB 2524, as amended, would update statutes related to the regulatory authority of the Kansas Corporation Commission (KCC) with regard to motor carriers.

The bill would update provisions related to procedures to be used by the KCC in the following ways:

- Authorize orders and decisions of the KCC to be served on motor carriers by electronic mail (email) if authorized by the motor carrier or by first class mail, rather than only by first class mail, except certain orders related to show cause proceedings (which, under continuing law, must be served by certified mail). A motor carrier could revoke the authorization to receive orders and decisions *via* email; the bill would then require the KCC to serve any subsequent orders or decisions by mail (Section 1);
- Remove requirements for the KCC to prescribe a uniform system and class of accounts (Section 5);
- Remove requirements for the KCC to require annual and other reports from private motor carriers of property (Section 6);

*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>

- Remove requirements for a hearing upon the filing of an application for a certificate of convenience and necessity (Section 8);
- Remove references to a 30-day interim certificate of public service (no longer in current use) and a protest procedure related to a certificate of public service (Section 9);
- Provide an opportunity for a hearing upon denial of a certificate, to be conducted in accordance with the Kansas Administrative Procedure Act (Sections 8 and 9);
- Remove references to requirements for cargo insurance (Sections 8 and 9), which the KCC no longer requires; and
- Remove authority related to certain vehicles used by motor carriers temporarily within the state (Section 13 [66-1,140]).

The bill would clarify motor carriers are subject to state regulation to the extent not preempted by federal law (Section 3).

The bill would clarify the KCC shall establish rate-making procedures for all holders of a certificate of convenience and necessity, rather than for all motor common carriers (Section 5).

The bill would remove terms not in current use in the statutes, such as “local cartage carrier” (Section 4), “State Property Valuation Department” (Section 7), “Port of Entry Board” (Section 7), and “state police regulations” (Section 10). It also would remove a definition for “ground water well drilling rigs” (Section 2), a term defined in KAR 82-4-1, and a reference to a statute that would be repealed by the bill (Section 12).

The bill would remove requirements related to types of regulation no longer allowable under federal law, including rate-making for changes in commodity classifications (Section 5), consent of the KCC for a motor carrier to change or discontinue any service or operations (Section 11), assignment or transfer of certain types of certificates (Section 13 [66-1,118]), operating territories (Section 13 [66-1,119a]), and contract carriers (Section 13 [66-1,142d]).

The bill would also make technical changes.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the House Committee on Transportation at the request of Representative Proehl on behalf of the KCC and the Kansas Motor Carriers Association (KCMA).

In the House Committee on Transportation hearing, representatives of the KCC and the KMCA provided proponent testimony. They stated the bill resulted from a review of the statutes by representatives of the KCC, KMCA, Federal Motor Carrier Safety Administration, and Kansas Highway Patrol and would remove outdated language and requirements. No other testimony was provided.

The House Committee recommended the bill be placed on the Consent Calendar.

In the Senate Committee on Transportation hearing, representatives of the KCC and KMCA provided proponent testimony. No other testimony was provided.

The Senate Committee amended the bill to state a motor carrier must authorize serving of KCC orders and decisions *via* email and could revoke that authorization. The

Committee also amended the bill to make it effective upon publication in the *Kansas Register*.

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the KCC and the Department of Revenue indicate enactment of the bill would have no fiscal effect on the operations of either agency.