

SESSION OF 2023

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2019

As Amended by Senate Committee on
Transportation

Brief*

HB 2019, as amended, would establish conditions in the Kansas Transportation Network Company Services Act for when a driver for a transportation network company (TNC) is an independent contractor.

The bill would specify that a driver for a TNC is an independent contractor and not an employee, provided that the TNC:

- Does not determine the hours when the driver must be logged in to its system;
- Does not restrict the driver's ability to use the digital networks of other TNCs;
- Does not restrict the driver from engaging in any other occupation or business; and
- Agrees in writing with the driver that the driver is an independent contractor for the TNC.

The bill would limit these provisions to the relationship between TNCs and TNC drivers.

*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

The bill was introduced by the House Committee on Transportation at the request of a representative of Uber Technologies, Inc.

House Committee on Transportation

In the House Committee hearing, **proponent** testimony was provided by a representative of Uber Technologies, Inc. Written-only proponent testimony was provided by a representative of the R Street Institute. The proponents generally stated the bill would preserve the right of TNC drivers to work as independent contractors.

Opponent testimony was provided by a representative of Teamsters Joint Council 56. Written-only opponent testimony was provided by representatives of Working Kansas Alliance and the Mid-America Carpenters Regional Council. The opponents generally stated the bill would harm employee rights by permitting TNCs to classify their drivers as independent contractors, rather than employees, and would change the standard for employee classification.

Senate Committee on Transportation

In the Senate Committee hearing, **proponent** testimony was provided by a representative of Uber Technologies, Inc. Written-only proponent testimony was provided by representatives of the R Street Institute and TechNet. The proponents stated TNC drivers prefer their status as independent contractors and setting their own schedules, and noted similar legislation has been enacted in more than 20 states.

Opponent testimony was provided by a representative of Teamsters Joint Council 56, and written-only opponent testimony was provided by a representative of the Mid-

America Carpenters Regional Council. The opponents stated misclassification of workers as independent contractors affects both workers and companies and expressed concern that the provisions would be extended to limit labor rights for other types of workers.

The Senate Committee amended the bill to specify the provisions would be limited to the relationship between TNCs and TNC drivers.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Departments of Transportation, Commerce, and Labor indicate the bill would not have a fiscal effect on agency operations, although the Department of Labor indicates the bill could have an effect on the Unemployment Insurance Trust Fund based on the change in designation for transportation employees.

Transportation network companies; Kansas Transportation Network Company Services Act; employment status; regulation