

SESSION OF 2023

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2019

As Recommended by House Committee on
Transportation

Brief*

HB 2019 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.

*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 Derek Hein on behalf 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 R Street Institute. Proponents generally stated the bill would preserve the right of TNC drivers to work as independent contractors.

In-person **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. 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.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, 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