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MEMORANDUM

To: House Committee on Federal and State Affairs
From: Chris Waggoner, Assistant Revisor
Date: March 21, 2019
Subject: Bill Brief – HB 2289

HB 2289 repeals certain requirements for public motor carriers to obtain certificates of convenience and necessity in order to operate in the state.

Current law provides in K.S.A. 66-1,114 and 66-1,114a that it is unlawful for any public motor carrier to operate as a carrier of household goods, passengers or other property in intrastate commerce without first obtaining a certificate of convenience and necessity from the Kansas Corporation Commission (KCC). Public motor carriers are generally defined as any for hire motor carriers, and the KCC has jurisdiction over their operation. The KCC currently has the authority to hold an administrative hearing to determine whether public motor carriers should be granted a certificate. The public motor carrier is required to submit testimony that the carrier is fit, knowledgeable, able to serve and in compliance with KCC safety regulations. Current law also provides in K.S.A. 66-1,115 that a private motor carrier of property or passengers obtain a license or permit to operate within Kansas either in intrastate or interstate commerce.

HB 2289 would repeal the requirement for public motor carriers to obtain those certificates and strike any references to those certificates for motor carriers. Public motor carriers would no longer be defined as a common carrier for purposes of the public utility law. Instead, HB 2289 would treat private and public motor carriers similarly for purposes of KCC regulation. Under the provisions of HB 2289, public motor carriers would be required to obtain the same license or permit as private motor carriers before operating in the state. The process for applying for these permits for motor carriers is already provided for in current law and rules and regulations. Both applications require certain information pertaining to the vehicles in the motor carrier fleet, the financial condition of the company, the items to be transported and evidence that the motor carriers are fit, willing and able to serve. One of the biggest differences between the

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two processes is the ability for the KCC to hold the administrative hearing. There is no authority for a hearing in relation to applications for licenses like there is for certificates. The bill also repeals provisions in K.S.A. 66-1,119 that disallow a public motor carrier to discontinue service in the state without first obtaining consent of the KCC. K.S.A. 66-1,119 still requires annual renewal of these motor carrier licenses. The bill also provides that any motor carriers previously issued certificates under KCC authority now hold permits under the act. The KCC will still issue the certificates of convenience and necessity to other public utility entities.

If enacted, the provisions of HB 2289 become effective July 1, 2019.