Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2015 Regular Session

Part I: Measure Information

Bill Request #: 1424
Bill #: SB 153 GA
Bill Subject/Title: AN ACT relating to motor carriers.
Sponsor: Sen. Harris
Unit of Government:XCityXCountyXUrban-CountyXCharter CountyXConsolidated LocalXGovernment
Office(s) Impacted: Motor carrier licensing and regulation
Requirement: <u>X</u> Mandatory <u>X</u> Optional
Effect on Powers & Duties: Modifies Existing _X Adds New _X Eliminates Existing

Part II: Purpose and Mechanics

SB 153 GA is an omnibus revision of KRS Chapter 281, the motor carrier statutes. Many of the bill's provisions are technical corrections and clarifications relating primarily to the state regulation of motor carriers. As it relates to local government regulation of motor carriers, the bill:

- Amends KRS 281.631 to allow cities and counties to impose annual license fees on taxicabs, limousines, and disabled persons vehicles, but not transportation network company (TNC) vehicles such as Uber and Lyft vehicles, not to exceed \$30 per vehicle;
- 2. Amends KRS 281.635 to grant cities the power to grant authorizations for the operation of buses over city streets, eliminating several steps in this process that are currently in place and which is currently controlled by the state Department of Vehicle Regulation; and also, among numerous other changes, to clarify references to concurrent regulatory authority of cities and the state over buses, taxicabs, limousines, and disabled persons vehicles, and their drivers; and
- 3. Amends KRS 281.830 to prohibit cities and counties from imposing any fee or tax upon any commercial private or for-hire motor vehicle for loading or unloading property.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The amendment made to KRS 281.631, allowing cities and counties to impose license fees of up to \$30 per year on taxicabs, limousines, and disabled persons vehiciles, would result in additional revenues to local governments choosing to do so. This is an expansion of authority, as under current statute only cities are allowed to impose this type of fee, and only on taxicabs and limousines. The amount of any additional revenues is not expected to be significant.

The amendment to KRS 281.635, relating to city regulation of buses, would eliminate additional steps in the process currently controlled by the state. This would result in some savings in the length of time necessary to authorize new bus operations, and so there may be some cost savings associated with the streamlined process. Any savings is not expected to be significant.

The amendment to KRS 281.830, prohibiting cities and counties from imposing fees on commercial private or for-hire motor vehicles loading or unloading property, could possibly result in a reduction in current revenues. Staff has been informed that there are some localities currently imposing, or seeking to collect, this type of fee, although precise identification of said localities is not available. Before federal legislation was enacted in 2005 to establish the Unified Carrier Registration System, state statute already prohibited this type of local fee on this type of carrier. The new federal registration system has arguably created an ambiguity as to the type of carriers a locality may impose a fee on, and while the motor carrier industry argues that the state prohibition still applies, some cities and counties argue otherwise. This provision would clearly prohibit this type of fee, and while a reduction in current local revenues is possible, it is expected to be minimal.

Data Source(s): <u>LR(</u>	<u>C staff</u>
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Preparer:	Eric Kennedy	Reviewer:	MCY	Date:	3/3/15