

February 21, 2022

The Honorable Renee Erickson, Chairperson
Senate Committee on Commerce
Statehouse, Room 546-S
Topeka, Kansas 66612

Dear Senator Erickson:

SUBJECT: Fiscal Note for SB 461 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 461 is respectfully submitted to your committee.

SB 461 would enact the Delivery Service Liability Act. Under the Act, a business entity would be required to assume all liability for any damages that a driver causes to the property of another that results from the driver's operation or use of a motor vehicle while transporting and delivering a product from the business entity to a customer, if:

1. A police report was filed with the law enforcement agency having jurisdiction over the location at which the incident or accident occurred;
2. The police report was filed at the time the incident or accident resulting in the damages occurred; and
3. The police report states that the driver was at fault for the accident or incident resulting in the damage.

For the purposes of this Act, all drivers would be deemed to be employees of the business entity for which the driver is transporting and delivering when the accident or incident resulting in the damage occurred, regardless of the driver's actual employment status. The Act would not be construed to limit the ability of a business entity to seek indemnification from the driver for economic loss resulting from a breach of the terms and conditions of the employment relationship.

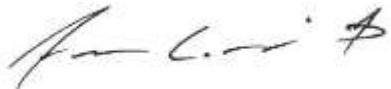
The Office of Judicial Administration states enactment of SB 461 could increase the number of cases filed in district court because it allows for a civil lawsuit to be filed, which could

result in more time spent by court employees and judges processing and deciding these cases. The Office estimates enactment of the bill could result in the collection of additional docket fees assessed in those cases filed under the bill's provisions. According to the Office, a fiscal effect cannot be estimated until the Judicial Branch has had an opportunity to operate under the bill's provisions.

The Department of Revenue indicates the bill's enactment would not have a fiscal effect on agency operations. Any fiscal effect associated with SB 461 is not reflected in *The FY 2023 Governor's Budget Report*.

The Kansas Association of Counties states enactment of the bill could decrease county sales tax revenue if businesses decide that the liability is too costly, and they cancel their delivery service. The League of Kansas Municipalities states the bill's enactment would not have a fiscal effect on cities.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Vicki Jacobsen, Judiciary
Wendi Stark, League of Municipalities
Jay Hall, Association of Counties
Sherry Macke, Highway Patrol
Lynn Robinson, Department of Revenue