



**Written Testimony in Opposition to SB198  
Before Senate Commerce Committee**

**Mr. Daniel Murray, Kansas State Director  
National Federation of Independent Business**

**Thursday, February 19, 2015**

On behalf of the National Federation of Independent Business (NFIB), I want to thank you for the opportunity to submit written testimony on SB198. The NFIB is the state's leading small business advocacy organization representing the consensus views of over 4,200 small business owners across Kansas.

The NFIB opposes SB198 because it places an unprecedented new reporting requirement on small businesses. The bill amends current law regarding the "Personal Responsibility and Work Opportunity Act of 1996" (aka 1996 Welfare Reform Act) by requiring that employers and labor organizations submit certain information concerning contractors or newly hired contractors to the secretary of labor. The information would be compiled in the state directory of new hires in accordance with the federal Welfare Reform Act. Current law requires that employers only submit information concerning newly hired *employees*.

Our understanding is that this proposal is designed to improve compliance with/participation in the title IV-D of the Social Security Act, related to child support collections by requiring employers to submit information on contractors/newly hired contractors, not just newly hired employees. While this goal may be noble, it presents a couple significant concerns to small businesses, including:

- The bill represents a new government mandate. Frankly, small businesses have a difficult time complying with the current slew of local, state and federal taxes and regulations. They can ill-afford any new burden.
- The concern that this mandate could be a "slippery slope" to additional reporting and taxation requirements with regard to independent contractors.

We appreciate the goal of this legislation, but urge the Committee to oppose SB198.