

Approved

W. W. D. 4-1-87
Date

MINUTES OF THE House COMMITTEE ON Labor and Industry

The meeting was called to order by Representative Clint Acheson at
Vice- Chairperson

9:08 a.m./~~p.m.~~ on March 17, 1987 in room 526-S of the Capitol.

All members were present except:

Representative Douville - Excused
Representatives R.D. Miller and Sifers - Excused

Committee staff present:

Jerry Ann Donaldson, Research Department
Jim Wilson, Revisor of Statutes' Office
Juel Bennewitz, Secretary to the Committee

Conferees appearing before the committee:

Senator Gerald Karr
Jerry Jones, Kansas Film Commission
Wayne Maichel, Kansas AFL-CIO

Senator Gerald Karr was recognized and testified in favor of S.B. 4, attachment #1.

Jerry Jones, Kansas Film Commission, addressed the committee at the invitation of the presiding chairman, attachment #2.

There were several questions from the committee:

Representative Patrick - why a privately owned film is exempt when a publicly owned film, such as, one done by a university would not be.

Answer from Senator Karr - in connection with the Internal Revenue Code so as not to jeopardize their non-profit status, public entities, must continue to pay into the system.

Representative Acheson - had the people applied for unemployment compensation?

Answer from Senator Karr - not to his knowledge.

Representative Whiteman - Was the definition of extra, as used in the bill, acceptable?

Answer from Jerry Jones - the definition was taken from the Screen Actor's Guild.

Wayne Maichel, Kansas AFL-CIO testified that the position of his organization was that it was in support of S.B. 4.

Representative Hensley made a motion to have S.B. 4 placed on the consent calendar. Representatives Empson and Whiteman seconded. The motion was approved.

Representative Buehler made a motion to approve the minutes of the meetings of February 18, 19, 24 and 25, 1987. Representative Holmes seconded. The motion was approved.

The meeting was adjourned at 9:28 a.m.

The next meeting will be March 18, 1987, at 9:00 a.m.

A copy of a letter from Dorothy Nichols, Chairperson of the Task Force on Workers' Compensation, to Chairman Douville regarding the February 27, 1987, meeting of that committee was distributed, attachment #3.

STATE OF KANSAS

GERALD "JERRY" KARR
SENATOR SEVENTEENTH DISTRICT
CHASE, LYON, MARION, MORRIS,
OSAGE COUNTIES
R R 2, BOX 101
EMPORIA, KANSAS 66801



TOPEKA

SENATE CHAMBER

March 17, 1987

TESTIMONY

TO

HOUSE COMMITTEE ON LABOR AND INDUSTRY

I would like to support the Senate Bill 4, which you have before you this morning. The bill evolved out of a problem that occurred during the filming of movies in the Emporia area this last fall. The concerns evolved when the Department of Human Resources indicated that there was a need to audit the books for the collection of the employment tax for all individuals who were serving as extras in the movie production. The extras which are defined in the bill involve individuals who do not have speaking parts but serve only as background for the filming for the various parts of a movie or possibly a television commercial.

Most of the extras serve only one day and are paid a cash payment at the end of a twelve to sixteen hour day. The requirement to determine the employment tax adds to the complications of a very hectic pace normally related to film production. The bill was amended in the Senate Committee to take into consideration problems that evolved from the Internal Revenue Code of 1954.

In closing, I would encourage your support of S.B. 4 as a way of addressing the reporting and payment of employment taxes on extras who serve in movie productions in Kansas. I think the passage of this bill would further enhance the efforts of the Kansas Film Commission to attract other movie companies to produce their films in Kansas. If you have any questions, I would be glad to answer them.

Attachment #1
House Labor & Industry
3/17/87

COMMITTEE ASSIGNMENTS
MEMBER AGRICULTURE
ASSESSMENT AND TAXATION
FINANCIAL INSTITUTIONS AND
INSURANCE
EDUCATION
JOINT COMMITTEE ON ADMINISTRATIVE
RULES AND REGULATIONS



March 17, 1987

Testimony for Senate Bill No. 4

Mr. Chairman, Members of the Committee,

Thank you for the opportunity to speak to you today. My name is Jerry Jones and I serve as the Coordinator of the Kansas Film Commission in the Kansas Department of Commerce, Travel and Tourism Development Division.

I'm here because filmmaking is a multi-million dollar industry in Kansas. In fiscal year '85, \$500,000 was spent in Kansas by production companies. In fiscal year '86, that amount increased to \$1,125,000. In the current fiscal year, with four months yet remaining, producers have spent \$5.5 million on film and video production in Kansas.

These figures indicate the economic potential of the film industry. Please keep in mind that these are actual dollars spent. Because of the nature of the business and its significant rollover effect, the California Film Office uses a 5.5 economic multiplier to determine the true impact of a production dollar. Using that multiplier, the economic impact from film production in Kansas since July 1, 1986, would be over \$30 million.

Senate Bill 4 exempts only extras paid in cash from unemployment insurance contributions. The production makes contributions for all salaried employees paid by check.

Film production has generated a significant economic impact in Kansas, and that could be jeopardized if we don't allow exemptions for film extras.

Attachment #2
House Labor & Industry 3/17/87

We're competing for production dollars with other states that are making this exemption.

I urge your support of Senate Bill 4. Thank you for your consideration, and I would be happy to answer any questions.

March 3, 1987

Representative Arthur Douville, Chairman
Committee on Labor and Industry
House of Representatives
3rd Floor - Statehouse

Dear Chairman Douville:

The Task Force on Workers' Compensation has been meeting and studying workers' compensation in Kansas pursuant to its charge from the Legislative Commission on Economic Development. While this study is not complete, the members of the Task Force requested that I inform you of two recommendations that were adopted by the Task Force at its meeting on February 27, 1987.

First, the Task Force endorses the provisions contained in House Bill No. 2186, as recommended to be amended by the House Committee on Labor and Industry, which relate to repetitive use injuries occurring in opposite upper extremities, in particular, the revised paragraph (23) as an amendment to K.S.A. 44-510c (appearing on page 17 of H.B. 2186 as introduced).

The Task Force further recommends that K.S.A. 44-567, relating to the liability of the workers' compensation fund for subsequent injuries to handicapped employees, be amended on page 34 of the bill as introduced, by deleting the new sentence commencing in line 321 and ending in line 324 and inserting in lieu thereof the following: "If the employer files a written notice of an employee's preexisting impairment with the director in a form approved by the director therefor, such notice establishes a reservation in the mind of the employer when deciding whether to hire or retain the employee." The Task Force believes that this method of establishing existence of the "reservation in the mind of the employer" should be available to employers in Kansas. The recommendation is not that this be the sole method of establishing the existence of this "reservation."

Attachment #3
House Labor & Industry
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Please contact me if you have any questions regarding these matters. We look forward to completing our charge and making a full report thereon to the Legislative Commission on Economic Development and the Legislature.

Yours truly,

Dorothy Nichols, Chairperson
Task Force on Workers' Compensation

cc: Members, Task Force on Workers' Compensation
Rep. James Braden, Chairman, Legislative
Commission on Economic Development