

Approved Tuesday, February 09, 1988
Date

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS

The meeting was called to order by Senator Dan Thiessen at
Chairperson

1:30 ~~xxx~~ p.m. on Tuesday, February 02, 1988 in room 527-S of the Capitol.

All members were present except:

Committee staff present:

Marion Anzek, Committee Secretary
Jerry Ann Donaldson, Research Department
Gordon Self, Revisor's Office

Conferees appearing before the committee:

Tom Slattery, Associated General Contractors of KS, Inc.
Sid Snider, Department of Human Resources

Chairman Thiessen called the meeting to order at 1:30 p.m. introducing the secretary and staff members. The Chairman said the committee did not have any new bills, so we would review SB101, SB341 and SB342 carried over from last session. Chairman Thiessen called upon Tom Slattery representing the Associated General Contractors, who originally requested SB101 be introduced.

SB101: An Act relating to workers' compensation; concerning applications for certificates of authority to operate group-funded workers' compensation pools; amending K.S.A. 44-582 and repealing the existing section.

Tom Slattery said the Associated General Contractors of Kansas, Inc. did request SB101 last year to help alleviate a concern we had in our self insured workers' comp. fund, but since last year we have made some changes which have reduced the need to do this.

Senator Morris moved to report SB101 adversely, seconded by Senator Daniels. Motion carried to report SB101 adversely.

Chairman Thiessen called upon Jerry Ann Donaldson to review SB341 and SB342 for the committee.

SB341: An Act concerning workers' compensation; relating to judicial review and compensation pending review; amending K.S.A. 44-556 and repealing the existing section.

Jerry Ann Donaldson said lines 47 through 57 are stricken, which would delete the present provision that compensates that payments are not payable until after decision by the court. According to Bill Morrissey from the division of workers' comp. at a hearing on SB341, in this committee, on March 02, 1987 said this time frame can run anywhere from two to five months, during which time there is no compensation paid to the worker's. Mr. Chairman I believe last session you requested a report from Bill Morrissey for the amount of judgement on total reversals.

Chairman Thiessen said we did have some figures last session on the number of cases that were reversed, and it is a problem for a lot of people that have to wait so long for compensation. The Chairman asked Sid Snider from Department of Human Resources if we could get an updated report.

Sid Snider, Department of Human Resources said he would talk to Bill Morrissey and they would get a current report on how many cases they have on back-log and how long it is taking to process individual cases.

Chairman Thiessen said we would hold SB341 and reschedule, turning attention

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS,
room 527-S, Statehouse, at 1:30 ~~am~~ p.m. on Tuesday, February 02, 1988

to SB342.

SB342: An Act concerning the employment security act; relating to disqualification for benefits; amending K.S.A. 44-706 and repealing the existing section.

Jerry Ann Donaldson reviewed SB342, and reminded the committee members they voted SB342 for interim study last session.

Chairman Thiessen said we did not get the interim study, but he believes there is a similar bill in the House, and we would reschedule SB342 until we get further information, to make sure the bill would not take us out of conformity.

Chairman Thiessen said we did have a bill request, and called upon Don Schnacke.

Don Schnacke, KS Independent Oil & Gas Association said there is a small segment of oil and gas industry in Kansas that is affected by the Employment Security Act, called Independent Contract Pumpers. Independent Contract Pumpers are generally used by small independents who have a few wells and can't afford full time employees. Out of about 2700 pumpers in Kansas about 600 of those are affected by this proposed bill, which would remove the independent contract pumper from the employment security law.

We have been working very closely with the IRS and recently through help from Congressman Glickman, Senator Dole and others we finally got the director of the Kansas Division of the IRS to see that independent contract pumpers, that were working for small independents were in fact in the Safe Haven Rule, and I will quote what that is "if the practices of long standing recognized practice of significance segment of the industry of which the individual was engaged, then you are safe from further auditing and from being swept into the employee, employer relationship".

We polled about 125 people at our convention and asked how many were using independent pumpers, and it was unanimous. We fall into the Safe Haven Rule of the IRS, and they have just recently conceded in a large audit in the Wichita area, and backed off of that particular portion of it. We feel if that is the position of the IRS, then we feel it should be adopted as a policy of Kansas.

Senator Morris made a motion to introduce the bill, seconded by Senator Werts. Motion carried.

Chairman Thiessen adjourned the meeting at 2:00 p.m.

GUEST LIST

COMMITTEE: LABOR, INDUSTRY AND SMALL BUSINESS February 02, 1988

<u>Name</u>	<u>Org.</u>
Don Moler	League of Mun.
Pam Scott	Kansas Insurance Dept.
Sid Snider	Human Resources
Don Schrank	KIOGA
Jeff Chaney	KIOGA.
Rob Hodges	KCCI
Bill Curtis	Ks. Assoc. of School Bds.
Laurie Hartman	Ks. Bar Association