

Approved Friday, March 8, 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 ~~am~~ p.m. on Monday, March 28, 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:

Gerald Henderson, Executive Director, United School Administrators
Paul Bicknell, Chief of Benefits, Department of Human Resources
Kenneth Ogdon, Managing Partner, Columbian Securities Corporation
Dick Dilsaver, representing Coleman Company
Ron Smith, Attorney, representing Kansas Bar Association
Frances Kastner, Director of Governmental Affairs-KS Food Dealers, Assoc.
Representative David Heinemann
Representative James Lowther
Representative Mike O'Neal
Judy Stringer, Consumer Credit Commissioner

Chairman Thiessen called the meeting to order at 1:30 p.m, turning attention to SB737, recognizing Gerald Henderson.

SB737: An Act concerning the employment security law; relating to the definition of wages.

Gerald Henderson said he had presented the committee information regarding Section 125, the cafeteria plans by Kansas School Districts for employee fringe benefits, which has created problems about what amounts of compensation are subject to unemployment tax. This handout was put together by Paul Bicknell, Chief of Contributions, Department of Human Resources, for Dale M. Dennis, Assistant Commissioner, Kansas State Department of Education.

Under current law, school districts have to keep track of benefits paid before shifting to Section 125, and benefits paid after 125. These records would have to be kept for each employee.

A second problem is that two schools providing the same salary and benefit totals would pay varying amounts of unemployment tax. We doubt such is the intent of the law. (ATTACHMENT 1)

Paul Bicknell said the advisory council worked with the Department of Education and said SB737 will clear up all this confusion by providing that only compensation subject to Federal income tax, would be subject to state unemployment.

Gordon Self said if we are going to amend these sections to include these charges, I'm not certain that sections 1, 2 and 3 are necessary any more. Sections 1, 2 and 3 would be stricken from the bill and we would amend these particular charges to make them allowable charges under the code. So you take a code section, and amend by listing various charges that are allowable under the code, and have that to include these charges. So these three sections are not necessary.

Senator Morris moved to amend to make the amendments, what ever is necessary to put SB737 into Code, seconded by Senator Kerr. Motion to amend carried.

Kenneth Ogden said the Internal Revenue Department, explained 125 of the bill, and said it is no longer a sunset law., and excluded social security as a deduction. The language is not in conformity with Federal. If Counties had cafeteria plan, it would be tax savings, as far as Counties is concerned, under

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS,
room 527-S, Statehouse, at 1:30 ~~xxx~~/p.m. on Monday, March 28, 19 88

state statute. Benefits are not with federal, federal law is reduction item.

Senator Steineger suggested a sub-committee be appointed.

Senator Gordon moved to pass SB737 as amended, seconded by Senator Morris. The motion to pass SB737 favorably, carried.

Chairman Thiessen concluded hearings on SB737 and turned attention to HB2752, recognizing Dick Dilsaver, representing Coleman Company.

HB2752: As amended the bill would require any corporation indemnifying a director, officer, employee, or agent against expenses, judgements, fines, or settlements to give notice to the shareholders of the corporation specifying who was paid, the amount paid, and the nature and status of litigation pending at the time payment was made.

Dick Dilsaver, an opponent to HB2752 said he was speaking for the Corporate Community, and let us go on record this is not a good measure. We don't need it.

The Secretary of State's office is trying to make a major updating of the Kansas Corporation Code to bring into conformity with the Delaware code. This would cause a non-conforming section. Regarding shares, shareholders payments of material amounts must be disclosed, under the Securities Exchange Act.

This would cause Coleman Company at least \$5,000 to prepare, print and mail, disclosure of indemnity payment.

If this committee considers passage of HB2752, at least amend to limit the disclosure amounts, such as 10% of back value or 10% of net income, as such amounts would be important to investors. (ATTACHMENT 2)

Ron Smith, Attorney said the Bar has not taken a position. The Bar is working with the Secretary of State's department, and we can use the Delaware code, and this bill would put us out of conformity.

Representative James Lowther said apparently Delaware laws are different than Kansas, and I don't know why we are compared with them.

Chairman Thiessen concluded hearings on HB2752 and turned attention to HB2840, recognizing Frances Kastner, Director of Governmental Affairs, Kansas Food Dealers Association.

HB2840 as amended would add to the information on the written demand for payment that besides the penalty of paying triple damages that the sum of the check, the incurred court and service cost, and the cost of collection, including reasonable attorney fees may have to be paid.

Frances Kastner said that if under the amendments by Representative Heineman, HB2840, does not keep the individual retailer from attempting to collect bad checks, and recovering damages. It would expand the law to permit hiring an attorney, and the cost be paid by the check writer. (ATTACHMENT 3)

If our interpretation is correct then we recommend passage of HB2840.

Representative Heinemann, sponsor of HB2840 said the bill has mandatory language to pay additional charges on worthless checks, and would allow attorney fees and extra charges, court cost, filing fee and service charge, if out of state maybe for attorney fee. The judge would look mostly on constigent of 30 to 50 percent.

This bill would help discourage the writing of worthless checks.

Chairman Thiessen concluded hearings on HB2840 and turned attention to HB3061.

HB3061 as amended would alter the Workers Compensation Act regarding subrogation (recovery) rights. In the situation where there is an accidental death but no dependants entitled to compensation and a negligent third party is involved, the employer would be granted subrogation rights against the third party for the \$18,500 payment the employer has made to the Workers Compensation Fund.

CONTINUATION SHEET

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

room 527-S, Statehouse, at 1:30 ~~xxm~~/p.m. on Monday, March 28, 1988

Representative Mike O'Neal said recovery against third part, where worker's comp. may already have made payments, the fund would have the same right of subrogation as the employer does under the current law. The employer is not off the hook, this bill simply extends.

Senator Morris made a conceptual motion to strike the eighth word in line 87, "enforce" and insert "bring", or what ever word fits, seconded by Senator Werts. The motion carried.

Chairman Thiessen concluded hearings on HB3061 and turned attention to HB3017.

HB3017 as amended would establish a definition of "insufficient check" to mean any "check, order, or draft drawn for the payment of preexisting indebtedness of the drawer or maker, which is refused payment by the drawee because the drawer or maker does not have sufficient funds"

Chairman Thiessen said he thought there were some problems as far as the uniform commercial code is concerned, and called upon Judy Stringer, CC Commissioner.

Judy Stringer said this bill attempts to affect CCC through a reference, and you will have to amend it, if you want effect. A proposed amendments is strike 1, 2, and 3 sections of the bill, and replace with 16-a-2-501 K.S.A.

Chairman Thiessen asked Stan Lind, Counsel, KS. Association of Financial Services if he had any problems with the bill, and the proposed changes? Mr. Lind said no, and he was satisfied with this, and he was turning in written material. (ATTACHMENT 4)

Senator Morris moved to amend HB3017 by striking sections, 1, 2 and 3, and insert with "K.S.A. 16-A-2-501, and amend to allow addition charges to be granted under the consumer credit code in lieu of the format of the bill, seconded by Senator Kerr. The motion to amend carried.

Questions were regarding the amendment and it was decided that what ever Gordon Self thought to get this done, as moved in the motion above.

Senator Werts moved to report HB3017 favorable for passage, as amended, seconded by Senator Morris. The motion carried.

Chairman Thiessen turned attention to HB3016, and said this is the bill that deals with payment by checks, instead of warrants, and I think we need an amendment on it, because Southwest Bell was paying by warrants, that are the same as checks. (ATTACHMENT 5)

Senator Morris said we had some suggested language by the telephone company on 3-21-88, presented by Jim Gartner, and said the proposed amendment would be to strike lines 42 and 43, and part of 44, and insert "payments shall be made only in cash, check or in the same manner that the employee is normally compensated and not by any other means".

Senator Werts said he would amend to put in "for salaries and wages" after the word compensated.

Senator Werts moved to amend HB3016 by striking lines 42, 43, and the words "authorization to pay" in line 44, and inserting payments shall be made only in cash, check or in the same manner that the employee is normally compensated for salaries and wages and not by any other means, seconded by Senator Morris. The motion to amend carried.

Senator Werts moved to pass HB3016 favorably as amended, seconded by Senator Morris. The motion carried.

Chairman Thiessen turned attention to HB3062, relating to impleading the worker's compensation fund, and said we had a problem in the timing they would request impleading the fund, at such a late date, and they would have trouble having their attorney's versed on the issue, and ready to appear.

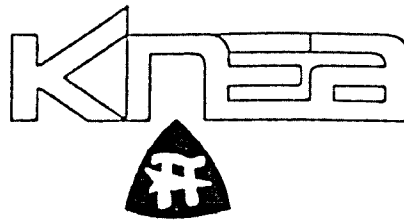
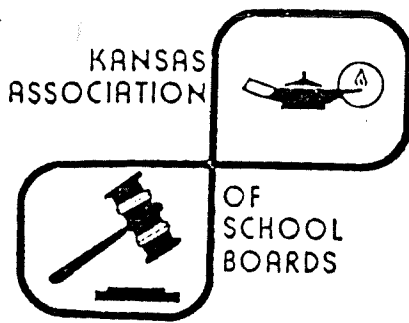
CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS,
room 527-S, Statehouse, at 1:30 ~~xxx~~ p.m. on Monday, March 28, 1988

Senator Morris moved to report HB3062 adversely, seconded by Senator Daniels. Motion to move adversely, carried.

Senator Ehrlich moved to approve the minutes of March 21, and March 22, 1988, seconded by Senator Daniels, Motion to approve both sets of minutes carried.

Chairman Thiessen adjourned the meeting at 2:25 p.m.



SB 737

Testimony Presented before the Senate Committee
on Labor, Industry and Small Business
by Gerald W. Henderson, Executive Director
United School Administrators of Kansas

March 28, 1988

Mister Chairman and Members of the Committee:

First of all we thank the chairman for scheduling hearings on SB 737 on such short notice. Secondly, we appreciate the committee's busy agenda, so we will be brief.

SB 737 contains language drafted by the Department of Human Resources at the request of Mr. Dale Dennis, who became aware of the problem about a month ago.

The essence of the problem is that the increased use of Section 125 Cafeteria Plans by Kansas school districts for employee fringe benefit packages has created a question about what amounts of compensation are subject to unemployment tax. Under current law, school districts will have to keep track of benefits paid before shifting to Section 125 and benefits paid after 125. These records would have to be kept for each employee.

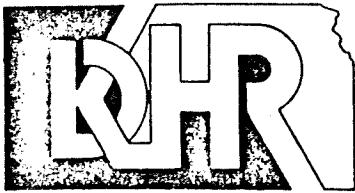
SB 737 will clean up all this confusion by providing that only compensation subject to federal income tax would be subject to state unemployment tax.

A second problem is illustrated by an example prepared by Mr. Dennis' office which shows that two schools providing the same salary and benefit totals would pay varying amounts of unemployment tax. We doubt that such is the intent of the law.

March 28, 1988 Attachment 1
Senate Labor, Industry and
Small Business

KANSAS

DEPARTMENT OF HUMAN RESOURCES



CONTRIBUTIONS

401 S.W. Topeka Boulevard, Topeka, Kansas 66603-3182
(913) 296-5025

Mike Hayden, Governor

RECEIVED

Dennis R. Taylor, Secretary

February 19, 1988

FEB 19 1988

Kansas State Department of Education
120 East 10th Street
Topeka, Kansas 66612-1103

**FINANCIAL
SERVICES**

RE: Cafeteria Plans

ATTN: Dale M. Dennis
Assistant Commissioner

Dear Mr. Dennis:

This is in answer to your request for clarification concerning Kansas' treatment of cafeteria plans for unemployment tax purposes.

The Department of Human Resources' position regarding the status of "wages" under the Kansas unemployment insurance law of payments made under "cafeteria plans" (as described under Section 125 of the Internal Revenue Code) is as follows:

K.S.A. 44-703(o) of the Kansas Employment Security Law includes within the definition of wages all compensation for services including commissions and bonuses, and the cash value of all remuneration in any medium other than cash. Any payments that are not excludable under this section should be reported, and are taxable to the extent that total wages paid to each employee including such payments do not exceed the taxable wage base.

Payments made under a cafeteria plan meeting the requirements of Section 125 of the Internal Revenue Code are not considered to be taxable wages for the Kansas unemployment insurance program when the benefit chosen is specifically excludable under the Kansas law and by reference through K.S.A. 44-703(o).

The clarification is not simple as a determination must be made for each employee after the selection of benefits has been chosen by that employee. The process would then continue in the determination of whether that employee's particular benefit or benefits are excluded under the Kansas Employment Security Law.

I have enclosed a copy of the applicable pages setting forth the definition of wages for your reference.

Mr. Dale M. Dennis
February 19, 1988
Page Two

To determine the affect under Kansas law when a "salary reduction plan" is in effect, you first must determine what is the base compensation for each employee. The base compensation is the amount of compensation the employee is receiving prior to the effective date of the salary reduction agreement between the employer and the employee. A plan may provide that the employer will make employer contributions, in whole or in part, pursuant to a salary reduction agreement under which participants elect to forego increases in compensation. If the benefit chosen is paid from the base compensation amount and not as a result of an increase in compensation, the amount will not be considered paid by the employer. Generally the exclusion from wages require the benefit amount to be paid by the employer, otherwise it would be taxable; however, to be accurate an employer must consult K.S.A. 44-703(o).

The specific benefits, as listed in your letter and applicable to your Section 125 cafeteria plan, should be considered for Kansas unemployment tax purposes as follows:

Health Insurance--exempt under K.S.A. 44-703(o)(2) if paid by the employer.

Term Life Insurance up to \$50,000--exempt under K.S.A. 44-703(o)(2) if paid by the employer.

Cancer Insurance--exempt under K.S.A. 44-703(o)(2) if paid by the employer.

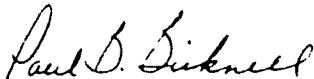
Child Care Payments--exempt under K.S.A. 44-703(o)(11) if paid by the employer.

Prepaid Legal Services--taxable, K.S.A. 44-703(o)(10) shall not apply to taxable years beginning after December 31, 1987. (During the period from July 1, 1986 through December 31, 1987, such payments were exempt if paid by the employer.)

Cash--taxable.

I hope this letter clarifies the issue of Kansas' treatment of cafeteria plans for unemployment tax purposes, and provides you with enough information to notify the school districts. If I may be of further service to you, please advise.

Sincerely,



Paul B. Bicknell
Chief of Contributions

ssg
Enclosure

NOTE: K.S.A. 44-703(o)(10), shall not apply to taxable years beginning after December 31, 1987.

The Tax Reform Act of 1986 (P.L. 99-514) amended subsection (e) of section 120 of the Internal Revenue Code, relating to termination of exclusion for amounts received under a group legal services plan.

K.S.A. 44-703(o)(11), pertaining to Section 127 (educational assistance programs) shall not apply to taxable years beginning after December 31, 1987.

The Tax Reform Act of 1986 (P.L. 99-514) amended subsection (d) of Section 127 of the Internal Revenue Code, relating to termination of exclusion for amounts received under educational assistance programs.

UNEMPLOYMENT TAX
CAFETERIA PLANS

	<u>1986-87</u>	<u>1987-88</u>
<u>SCHOOL A</u>		
Salary	22,000	22,000
Fringe Benefits	3,000	4,000 (Sect. 125)
TOTAL	25,000	26,000
Subject to Unemployment Tax	22,000	23,000
 <u>SCHOOL B</u>		
Salary	25,000	22,000
Fringe Benefits	0	4,000 (Sect. 125)
TOTAL	25,000	26,000
Subject to Unemployment Tax	25,000	26,000



The

COLEMAN COMPANY, INC.

General Offices

DICK DILSAVER
COMMUNICATIONS COUNSELOR
CORPORATE COMMUNICATIONS
(316) 261-3483

P.O. BOX 1762
WICHITA, KANSAS 67201
AREA CODE 316 261-3211

March 28, 1988

To: The Senate Committee on Labor, Industry and Small Business

Re: House Bill 2752

Chairman Thiessen and members of the committee. I am Dick Dilsaver of The Coleman Company. Thank you for this opportunity to express our opposition to HB 2752.

1. The Secretary of State's office is trying to make a major updating of the Kansas corporation code to bring it into conformity with the Delaware code. HB 2752 would cause an important non-conforming section.
2. We question whether this bill serves a valuable purpose to shareholders. Payments that are of material amount must be disclosed under the Securities Exchange Act. If they are of immaterial size, there seems no reason to require the disclosure.
3. The bill would put corporations to unreasonable expense if notice is mailed separately. For example, a mailing at Coleman to prepare, print and mail disclosure of an indemnity payment would cost at least \$5,000. And this easily could be a frequent occurrence. In order to increase defense costs and try to force settlement, some attorneys often sue individual employees as well as the company. Also, the most efficient -- though still costly -- way to make disclosure could be through mailing, thus increasing its expensive use.

If you do feel that this legislation must be passed -- and I repeat that we do not see it serving a valuable purpose -- then at least limit the disclosure to amounts that would be of importance to investors, such as 10 percent of book value or 10 percent of net income.

Thank you for your consideration.

March 28, 1988 Attachment 2
Senate Labor, Industry and
Small Business

ry



Kansas Food Dealers' Association, Inc.

2809 WEST 47th STREET SHAWNEE MISSION, KANSAS 66205

PHONE: (913) 384-3838

arch 28, 1988

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DIRECTOR OF GOVERNMENTAL AFFAIRS

FRANCES KASTNER

SENATE LABOR, INDUSTRY & SMALL BUSINESS

SUPPORTING HB 2840

EXECUTIVE DIRECTOR
JIM SHEEHAN
Shawnee Mission

I am Frances Kastner, Director of Governmental Affairs for the Kansas Food Dealers Association. Our membership includes wholesalers, distributors and retailers of food products throughout Kansas.

Many of you have heard me speak about the great loss that grocers suffer from bad checks as well as shoplifting. The loss continues to grow in the area of shoplifting.

We are pleased with the posture this committee has adopted in the past to help reduce losses through bad checks and we thank you for passing the original version of **HB 2840**.

The amendment proposed by Repr. Heinemann, as we understand it, does not keep the individual retailer from attempting to collect bad checks, and recovering damages. It would only expand the law to permit hiring an attorney, if necessary, and the cost would be paid by writer of the bad check.

If our interpretation is correct, then we request that you recommend this bill favorably.

Thank you for the opportunity of appearing before you today and I will be happy to answer any questions you might have.

March 28, 1988 Attachment 3
Senate Labor, Industry and
Small Business

Karr, D. Kerr, F. Kerr, Langworthy, Martin, Montgomery, Morris, Mulich, Norvell, Parrish, Reilly, Salisbury, Steineger, Strick, Talkington, Thiessen, Vidricksen, Walker, Warren, Werts, Winter, Yost.

Absent or not voting: Doyen.

The bill passed.

HB 2833, An act amending the public wholesale water supply district act; concerning the governing body of such districts; amending K.S.A. 19-3550 and repealing the existing section, was considered on final action.

On roll call, the vote was: Yeas 39, nays 0; present and passing 0; absent or not voting 1.

Yeas: Allen, Anderson, Arasmith, Bogina, Burke, Daniels, Ehrlich, Feleciano, Francisco, Frey, Gaines, Cannon, Gordon, Harder, Hayden, Hoferer, Johnston, Karr, D. Kerr, F. Kerr, Langworthy, Martin, Montgomery, Morris, Mulich, Norvell, Parrish, Reilly, Salisbury, Steineger, Strick, Talkington, Thiessen, Vidricksen, Walker, Warren, Werts, Winter, Yost.

Absent or not voting: Doyen.

The bill passed.

HB 2849, An act concerning worthless checks; providing certain civil remedies; increasing the service charge; amending K.S.A. 61-2703, 61-2706 and 61-2713 and K.S.A. 1985 Supp. 21-3707 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 37, nays 2; present and passing 0; absent or not voting 1.

Yeas: Allen, Anderson, Arasmith, Bogina, Burke, Daniels, Ehrlich, Feleciano, Francisco, Gaines, Cannon, Gordon, Harder, Hayden, Hoferer, Johnston, Karr, D. Kerr, F. Kerr, Langworthy, Martin, Montgomery, Morris, Mulich, Norvell, Parrish, Reilly, Salisbury, Steineger, Strick, Talkington, Thiessen, Vidricksen, Walker, Warren, Winter, Yost.

Nays: Frey, Werts.

Absent or not voting: Doyen.

The bill passed.

HB 2891, An act concerning workers' compensation; relating to coverage of persons performing public or community service under certain circumstances; amending K.S.A. 44-511 and K.S.A. 1985 Supp. 44-508 and repealing the existing sections, was considered on final action.

The bill was amended by the adoption of the committee amendments.

On roll call, the vote was: Yeas 38, nays 0; present and passing 1; absent or not voting 1.

Yeas: Allen, Anderson, Arasmith, Bogina, Burke, Daniels, Ehrlich, Feleciano, Francisco, Frey, Gaines, Cannon, Gordon, Harder, Hayden, Hoferer, Johnston, Karr, D. Kerr, F. Kerr, Langworthy, Martin, Montgomery, Mulich, Norvell, Parrish, Reilly, Salisbury, Steineger, Strick, Talkington, Thiessen, Vidricksen, Walker, Warren, Werts, Winter, Yost.

Present and Passing: Morris.

Absent or not voting: Doyen.

The bill passed, as amended.

HB 3022, An act concerning the state board of mortuary arts; relating to educational requirements of licensees; concerning reciprocal licenses; amending K.S.A. 65-1701a, 65-1701b and 65-1721 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 39, nays 0; present and passing 0; absent or not voting 1.

Yeas: Allen, Anderson, Arasmith, Bogina, Burke, Daniels, Ehrlich, Feleciano, Francisco, Frey, Gaines, Cannon, Gordon, Harder, Hayden, Hoferer, Johnston, Karr, D. Kerr, F. Kerr, Langworthy, Martin, Montgomery, Morris, Mulich, Nor-

vell, Parrish, Reilly, Salisbury, Steineger, Strick, Talkington, Thiessen, Vidricksen, Walker, Warren, Werts, Winter, Yost.

Absent or not voting: Doyen.

The bill passed.

HB 3030, An act relating to the taxation of motor fuels; amending K.S.A. 79-3490 and K.S.A. 1985 Supp. 79-3408 and repealing the existing sections, was considered on final action.

The bill was amended by the adoption of the committee amendments.

On roll call, the vote was: Yeas 39, nays 0; present and passing 0; absent or not voting 1.

Yeas: Allen, Anderson, Arasmith, Bogina, Burke, Daniels, Ehrlich, Feleciano, Francisco, Frey, Gaines, Cannon, Gordon, Harder, Hayden, Hoferer, Johnston, Karr, D. Kerr, F. Kerr, Langworthy, Martin, Montgomery, Morris, Mulich, Nor-

MEMO TO THE SENATE SMALL BUSINESS COMMITTEE:

H.B. 2849 (shown on the opposite page) passed the Senate in the 1986 Session with a vote of 37 Yeas, 2 Nays, 1 Not Voting.

H.B. 2849 authorized the present law for a \$10 bad check charge when such a check is given for a "purchase," plus a penalty for triple the amount of the check, plus attorney fees.

H.B. 3017 would authorize a \$10 charge for bad checks given on "pre-existing" debt with permission to add the \$10 charge to the balance owed if not paid in ten days.

Also, the House nonconcurrs in Senate amendments to HB 2798, requests a conference and has appointed Representatives Hoy, Sprague, and Turnquist as conferees on the part of the House.

Also, the House nonconcurrs in Senate amendments to HB 3000, requests a conference and has appointed Representatives Pottorff, Baker, and Branson as conferees on the part of the House.

Also, the House nonconcurrs in Senate amendments to HB 3069, requests a conference and has appointed Representatives Rolfs, Lowther, and Leach as conferees on the part of the House.

The House accedes to the request of the Senate for a conference on S. Sub. for HB 2153 and has appointed Representatives Cloud, Walker, and Sughrue as conferees on the part of the House.

The House accedes to the request of the Senate for a conference on S. Sub. for HB 2237 and has appointed Representatives Cloud, Walker, and Sughrue as conferees on the part of the House.

HOUSE BILL No. 3016

By Committee on Labor and Industry

2-23

0018 AN ACT concerning the workers compensation act; relating to
0019 the manner of compensation payments; amending K.S.A. 44-
0020 512 and repealing the existing section.

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. K.S.A. 44-512 is hereby amended to read as fol

0023 lows: 44-512. ~~Workmen's~~ *Workers* compensation payments shal

0024 be made at the same time, place and in the same manner as th

0025 wages of the worker were payable at the time of the accident, bu

0026 ~~the director~~ upon the application of either party *the director* ma

0027 modify such requirements in a particular case as ~~to~~ the direct

0028 ~~may seem~~ *deems* just, except that (a) payments from the worker

0029 compensation fund established by K.S.A. 44-566a and amen

0030 ments thereto shall be made monthly only ~~and~~; (b) paymer

0031 from the *state* workmen's compensation self-insurance fund (

0032 tablished by K.S.A. 44-575 and amendments thereto shall

0033 made monthly, except that workers who were receiving p

0034 ments from such fund more often than monthly prior to

0035 effective date of this act *July 1, 1980*, shall be paid ~~workme~~

0036 *workers* compensation payments from such fund to which th

0037 are entitled at the times that the officers and employees of

0038 state agency, which employed the worker at the time of

0039 accident, are paid compensation after ~~the effective date of~~

0040 ~~act~~ *July 1, 1980*; and (c) *whenever temporary total disability*

0041 *compensation is to be paid under the workers compensation act,*

0042 ~~payments therefor shall be made by payment in cash or by check~~

0043 ~~and shall not be made by warrant or any other written order or~~

0044 ~~authorization to pay~~, except that any such compensation may be

0045 paid by warrant of the director of accounts and reports issued for

payments shall be made only in cash, check or in the same manner that the employee is normally compensated and not by any other means

0046 payment of such compensation from the workers' compensation
0047 fund or the state workmen's compensation self-insurance fund
0048 under the workers compensation act.
0049 Sec. 2. K.S.A. 44-512 is hereby repealed.
0050 Sec. 3. This act shall take effect and be in force from and
0051 after its publication in the statute book.