

Approved: 3/7/95 ua  
Date

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR.

The meeting was called to order by Chairman Al Lane at 9:00 a.m. on February 10, 1995 in Room 526-S of the Capitol.

All members were present except: Rep. David Heineman - excused

Committee staff present: Jerry Donaldson, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Bev Adams, Committee Secretary

Conferees appearing before the committee:

Terry Leatherman, Kansas Chamber of Commerce & Industry (KCCI)  
Art Brown, Mid-American Lumbermens Association  
Jeffrey A. Chanay, Kansas Association of Homes and Services for the Aging  
Wayne Maichel, Kansas AFL/CIO  
Bob Lagarde, Cardinal Building Services, Inc.  
Hal Hudson, Kansas State Director, Nation Federation of Independent Business  
Jackie Summerson, Manpower Temporary Services

Others attending: See attached list

Rep. Packer moved to pass out HB 2029 favorably. The motion was seconded by Rep. Mason. Rep. Pauls offered an amendment to the bill (see Attachment 1). Bob Nugent will rewrite amendment in the correct language. The committee approved the amendment. Rep. Pauls offered a substitute motion to pass out HB 2029 favorably as amended. The motion was seconded by Rep. Packer, the motion carried.

Continued hearing on: HB 2305--concerning employment security; imposing a temporary moratorium on contributions by positive balance employers

Terry Leatherman returned to answer questions about his testimony on February 9, 1995.

Art Brown, Mid-American Lumbermens Association, appeared as a proponent of HB 2305. When he heard about the introduction of the bill, he contacted the members of his board, and some of the members to see how the bill would affect them. Every person he contacted liked the bill. When asked what they would do with the money saved, some of the answers were: update their computer system, buy a new truck, or give raises to key personnel deserving of same. He felt it would benefit the businesses in the State of Kansas and the communities in which they reside (see Attachment 2). He answered questions from the committee.

Jeffrey A. Chanay, General Counsel for the Kansas Association of Homes and Services for the Aging, appeared as a proponent of the bill. (see Attachment 3) He testified as to the benefits for not-for-profit businesses, and in particular, the long term care industry. He felt that the bill would create excess revenues which could be reinvested in employee wages and benefits, capital improvements, or resident care. He also felt that the bill would save the State money by lowering the unemployment insurance costs of a Medicaid-certified facility and consequently the State will expend fewer Medicaid-match dollars as part of the facility's reimbursement rate. KAHSA asks that the committee report the bill favorably for passage. He finished by answering questions from the committee.

Wayne Maichel, Kansas AFL/CIO, appeared as a proponent of the bill. They believe that by reducing the Trust Fund to the \$503M as provided by the bill, the fund could absorb the reduction and still be able to retain its ability to pay benefits to unemployed workers. It is hoped that the revenue generated by the reduction would create jobs and allow for business expansion in Kansas. A decrease in the rate for new employers would be another incentive for new businesses to locate in Kansas. He felt that the clause written into the bill to end the moratorium if the fund dropped too low would serve as a protection for the fund and unemployed workers. He ended by answering questions from the committee.

Bob LaGarde, Cardinal Building Services, appeared as a proponent of HB 2305. He brought written

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR, Room 526-S  
Statehouse, at 9:00 a.m. on February 10, 1995.

testimony from Arnold E. Gordon, President of the company (see Attachment 4). He came as a representative for other service based companies. His company has a large unemployment fund balance. Passage of the bill would give their business a greater opportunity for growth because they could use the monies saved by the moratorium to invest in that growth.

Hal Hudson, Kansas State Director, Nation Federation of Independent Business, appeared in support of HB 2035 (see Attachment 5). He testified that this bill will put thousands of dollars back in the hands of small business owners, enabling them to create new jobs, improve benefits to present employees, or buy new equipment to expand their businesses. This is good news for most of the 8,000 Kansas members of NFIB. He continued by saying that the bill is consistent with NFIB's general legislative goals of reducing regulations and taxes that are strangling small business owners. Mr. Hudson concluded by answering questions from the committee.

Jackie Summerson, Manpower Temporary Services, appeared as a proponent of **HB 2035** (see Attachment 6). She testified that the bill does not impact benefits paid to unemployed workers. It would also have an economic impact on the state since employers will have extra money to invest in additional equipment, additional jobs, etc. In addition, new employers could be attracted to Kansas since their unemployment rate will be almost 70% less than the current rate for new employers in the state. Her business would use the savings to open more offices in the State. In addition they would buy several new computer to expand the free computer training that is offered for their temporary employees.

Chairman Lane asked if there were any persons in the audience who wanted to testify on **HB 2035**. There were none. The testimony of James R. Hanni, President & CEO, AAA of Kansas, was handed out (see Attachment 7). The hearing on **HB 2035** was closed.

Chairman Lane adjourned the committee meeting.

The next meeting is scheduled for February 14, 1995.

# HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE GUEST LIST

DATE February 10, 1995

NAME	REPRESENTING
Wayne Maichel	AFL-CIO
Jim De Hoff	" "
Harry O'Keefe	" "
Bill Lapes	Ks Dept Human Resources
Rich Strickley	Intern
Dot Broad	mid-tn Lumbermen Assn
Gary Hau Mark	Leg
Linda Tierce	Ks. Dept. Human Resources
PAUL BICKNELL	" " " "
Hal Hudson	NFIB/KS
Terry Leatherman	KCCI
David Dallon	Division of the Budget
Jon Ruyton	Ks Governmental Consulting
KS WADOB	Carroll Boat Service
Cacki Summers	Manpower
MARK RAN	Professional Security, Inc.
Jeff Chanary	KANSA
Tom Slattery	ABC of Ks.
Neil Rutkowski	Office of the Governor

Section 1

a) If former employers provide factual, truthful information about former employees to perspective employers, they would receive qualified immunity.

b) In addition, former employers <sup>or employer designee</sup> would receive absolute immunity for providing the following factual, truthful information to <sup>the</sup> perspective employers about former employees:

- 1) Date of employment
- 2) Pay level
- 3) Job description and duties
- 4) Wage history

c) Further, former employers would receive absolute immunity for providing the following factual, truthful information to <sup>pros</sup> perspective employers about former employees:

- 1) Written employee evaluations (if prior to separation from service)
- 2) Whether the employee was voluntarily or involuntarily separated from service and reasons for the separation.

~~In order for the immunities specified in subsection (c) above to~~  
apply, the request for information by a potential employer, and the reply of the former employer, shall be in writing.

*Business, Commerce  
& Labor  
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Attachment 1*



# MID-AMERICA LUMBERMENS ASSOCIATION

TESTIMONY BEFORE THE HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE

FEBRUARY 9, 1995

HOUSE BILL NO. 2305

My name is Art Brown. I represent the Retail Building material dealers in the State of Kansas. I am very pleased to appear before you today, as a strong proponent of House Bill No. 2305, which places a 2 year moratorium on the funds paid by employers to the Unemployment Reserve Fund.

Upon hearing the introduction of this bill, I decided to contact, not only the members of our Board, but a "sampling" of our membership to see what kind of impact this bill would have on them in so far as financial savings. Below, is what I found in this "mini-survey."

URBAN RETAIL OPERATION IN AREA OVER 200,000 IN POPULATION:

	<u>TOTAL SURPLUS IN FUND</u>	<u>PAID INTO FUND-1994</u>	<u>2-YEAR SAVINGS</u>
RETAIL OPERATION "A"	\$784,480	(approx) \$62,000	(approx) \$120,000
RETAIL OPERATION "B"	\$136,208	(approx) \$25,550	(approx) \$ 50,000

URBAN RETAIL OPERATON IN AREA BETWEEN 100,000 AND 200,000 POPULATION:

	<u>TOTAL SURPLUS IN FUND</u>	<u>PAID INTO FUND-1994</u>	<u>2-YEAR SAVINGS</u>
RETAIL OPERATION "C"	\$81,250	(approx) \$7,000	(approx) \$14,000
RETAIL OPERATION "D"	\$236,500	(approx) \$24,750	(approx) \$49,000



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 Attachment 2*

COMBINED URBAN/RURAL AREA WITH POPULATION BETWEEN 25,000 AND 50,000

	<u>TOTAL SURPLUS IN FUND</u>	<u>PAID INTO FUND 1994</u>	<u>2-YEAR SAVINGS</u>
		(approx)	(approx)
RETAIL OPERATION "E"	\$44,000 ( approx)	\$13,400	\$25,000

RURAL OPERATION IN AREA WITH POPULATION OF ABOUT 10,000

	<u>TOTAL SURPLUS IN FUND</u>	<u>PAID INTO FUND 1994</u>	<u>2-YEAR SAVINGS</u>
		(approx)	(approx)
RETAIL OPERATION "F"	\$41,229	\$4400	\$8500

What you notice in every single case, is that there is some money saved for each of these dealers, if there was a two year moratorium on this fund. In looking over these savings, I can assure you that the operation that saves \$8500.00 in the rural area is every bit as pleased with this as the dealer in the large urban area that will save over \$100,000 for his company.

To expand further in my little "survery" I asked these dealers what they might do with this money, if this bill becomes law. I will be brutally honest with you and tell you that almost all of them said, "let's see if we get the law first, then we'll decide what to do with what we receive." Two dealers, however, one a board member, and another in the rural/urban situation did say that they felt they could make good use of these funds whatever they may be. One indicated that this might be what they need to up date their computer system and buy a new truck for the yard, the other indicated he would probably give raises to key personnel deserving of same.

pg.3-

This segways into what we feel is the PEANUT OF THIS BILL: We feel that we are about as average a group of business people as you will find in the State of Kansas. Capitol improvements, salary increases, job creation, upgrading rolling stock and equipment, these are items we see being done with savings such as this. In short, putting the money back into the business, to make it grow, thus make the community grow in which they reside. We do not know if it was the total intent of the sponsor of this bill to make it an Economic Development Initiative, but from where we stand it may be one of the best we've seen in quite some time.

Other businesses will make some improvements to their property or business, which means they will probably purchase more materials from us, and for that we are extremely pleased with that prospect of additional business.

Jobs will be created, which means more income tax and sales tax to the General fund, I mean, do we like this bill or what!!

I'll close by making this observation. This type of Legislation is the kind of creative "win-win" Legislation voters were hoping to see when they sent their message through the ballot boxes last November. This is a TRUE SAVINGS to the business community. Not a tax shift. Not a deletion of the tax base. Just flat out, money in your pocket savings, that will not only benefit the businesses in the State of Kansas, but will benefit the communities in which they reside.

We are hopeful that there are other such programs out there that can be found like this one that is a "win-win" for all concerned. If another one is not found, this one is sure a true keeper, and we are hopeful the committee agrees and passes HB 2305 favorably. I thank you for this opportunity to address you today about our support of this bill, and would answer any questions you may have, or address any comments.

# KAHSA

KANSAS ASSOCIATION OF  
HOMES AND SERVICES FOR THE AGING

## MEMORANDUM

**To:** House Business, Commerce and Labor Committee  
**From:** Jeffrey A. Chanay  
**Date:** February 9, 1995  
**Subject:** Kansas Employment Security Law/House Bill 2305

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Mr. Chairman and Members of the Committee:

My name is Jeff Chanay, and I appear today as General Counsel for the Kansas Association of Homes and Services for the Aging (KAHSA), and in favor of HB 2305. The Kansas Association of Homes and Services for the Aging represents over 150 not-for-profit retirement, nursing, and community service providers throughout Kansas. KAHSA members provide diverse services to elderly Kansas citizens in a variety of settings, and provide more than 9,600 nursing facility beds, 3,900 senior duplexes and apartments, and a wide range of community services such as assisted living/personal care, home health care, congregate meals, and adult and intergenerational day care. KAHSA members employ more than 12,000 Kansans, and in many Kansas towns, the local nursing home is the largest employer in the community. Most KAHSA members are contributing employers with positive account balances under the Kansas Employment Security Law. As such, KAHSA member facilities will be greatly benefited by the passage of HB 2305.

Other conferees will testify concerning the benefits of HB 2305 to for-profit Kansas employers. I testify today to point out the benefits of HB 2305 to not-for-profit businesses, and in particular, the long term care industry.

The need to reduce the Unemployment Insurance Trust Fund has been well-documented. Clearly, the Trust Fund is overfunded by more than \$225 million over the amount needed to be fiscally prudent. The only real question is how to reduce the Trust Fund balance while ensuring that the Trust Fund is large enough to cover emergency situations. It is the position of KAHSA that HB 2305 meets both of these needs.

In a not-for-profit business, because revenues that exceed expenses cannot inure to the benefit of any owner or shareholder, excess revenues must be reinvested into the business. In the case of a long term care facility, such excess revenues can be reinvested in three areas: employee wages and benefits, capital improvements, or resident care. The investment of dollars in any of these three areas is socially desirable. HB 2305 will create excess revenues for not-for-profit long term care facilities and will allow those facilities to make significant investments in these areas.

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Attachment 3*



In addition, most long term care facilities are certified to participate in the Medicaid program. Reimbursement rates are based upon the reasonable and necessary costs incurred by the participating facility. HB 2305, for the two years of the moratorium and beyond, will lower the unemployment insurance costs of a Medicaid-certified facility and consequently the State will expend fewer Medicaid-match dollars as part of the facility's reimbursement rate. Thus, HB 2305 will create other derivative benefits for the state.

HB 2305 is more than a tax relief bill. This legislation will spur economic development and business activity. From the standpoint of a not-for-profit business, increased for-profit business activity will result in larger private donations to tax-exempt organizations. Again, such private donations will help keep state social service spending down.

Thank you for your consideration of this matter, and KAHSA asks that the Committee report HB 2305 favorably for passage.



February 8, 1995  
"IN OUR TWENTY-FIRST YEAR"

Representative Al Lane  
Chairman; Business, Commerce, and Labor Committee  
House of Representatives  
Kansas Legislature  
Room 115 South, Capitol Building  
Topeka, Kansas 66612

**MEMORANDUM: HOUSE BILL 2305**

At the end of fiscal year 1993, Cardinal Building Services, Inc. had an unemployment fund balance of nearly a quarter of a million dollars. This is an accumulated fund balance for an employer whose annual payroll is less than 1.5 million. Because we are a service business utilizing a large number of part-time, unskilled or semi-skilled employees, we have paid unemployment taxes on virtually every penny of our payroll.

It is time to put these unneeded, disproportionate funds back into the hands of those that will invest in the Kansas economy. Service based businesses are the the fastest growing segment of the business economy. Companies such as ours who provide quality services to the commercial sector have great opportunities for growth but we must have the funds available to invest to achieve that growth and we must have secure knowledge that our tax costs are going to be fair, equitable and reasonable.

We urge you to strongly support and vote for House Bill 2305.

Thank you,

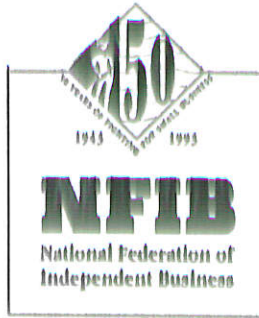
CARDINAL BUILDING SERVICES, INC.

ARNOLD E. GORDON  
PRESIDENT

AEG/dc

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& Labor  
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Attachment 4*

**Cardinal Building Services, Inc. • Cardinal Chemical and Supply Co.**



**Testimony of  
Hal Hudson, Kansas State Director  
National Federation of Independent Business**

**Before the  
Kansas Business, Commerce & Labor Committee**

**on House Bill 2305**

Thursday, February 9, 1994

Mister Chairman and members of the Committee: Thank you for this opportunity to appear here today. My name is Hal Hudson, and I am State Director for the Kansas Chapter of National Federation of Independent Business. NFIB is the State's largest small-business advocacy group, with over 8,000 members who employ more than 100,000 Kansans. Over 80 percent of our members have 15 or less employees, while only one percent of our members employ over 100.

NFIB legislative policy is not set by a board of directors. NFIB's position on legislative issues is determined by ballots, surveys and questionnaires, through which we ask our members directly for their opinion - seven times a year.

I am here today to support and urge you to enact H.B. 2305. A two-year moratorium on the payment of unemployment compensation tax will be of great benefit to the Kansas economy. H.B. 2305 would halt all payment of unemployment tax for employers with positive balances in the unemployment fund, and reduce the tax for new start-up businesses, for two years. Also, there would be no increase even for employers with negative balances in the fund.

If enacted by the legislature, this bill will put thousands of dollars back in the hands of

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Attachment 5*

small business owners, enabling them to create new jobs, improve benefits to present employees, or buy new equipment to expand their businesses. This is good news for most of the 8,000 Kansas members of NFIB.

Finally, H.B. 2305 is consistent with NFIB's general legislative goals of reducing regulations and taxes that are strangling small business owners.

We hope this committee, the full House, and the Senate will take quick action to pass this bill and send it to Governor Graves for his signature.

Thanks for your attention. If there are questions, I'll try to answer.

Hal Hudson, Kansas State Director  
National Federation of Independent Business  
(913) 271-9449

## ABOUT NFIB / KANSAS

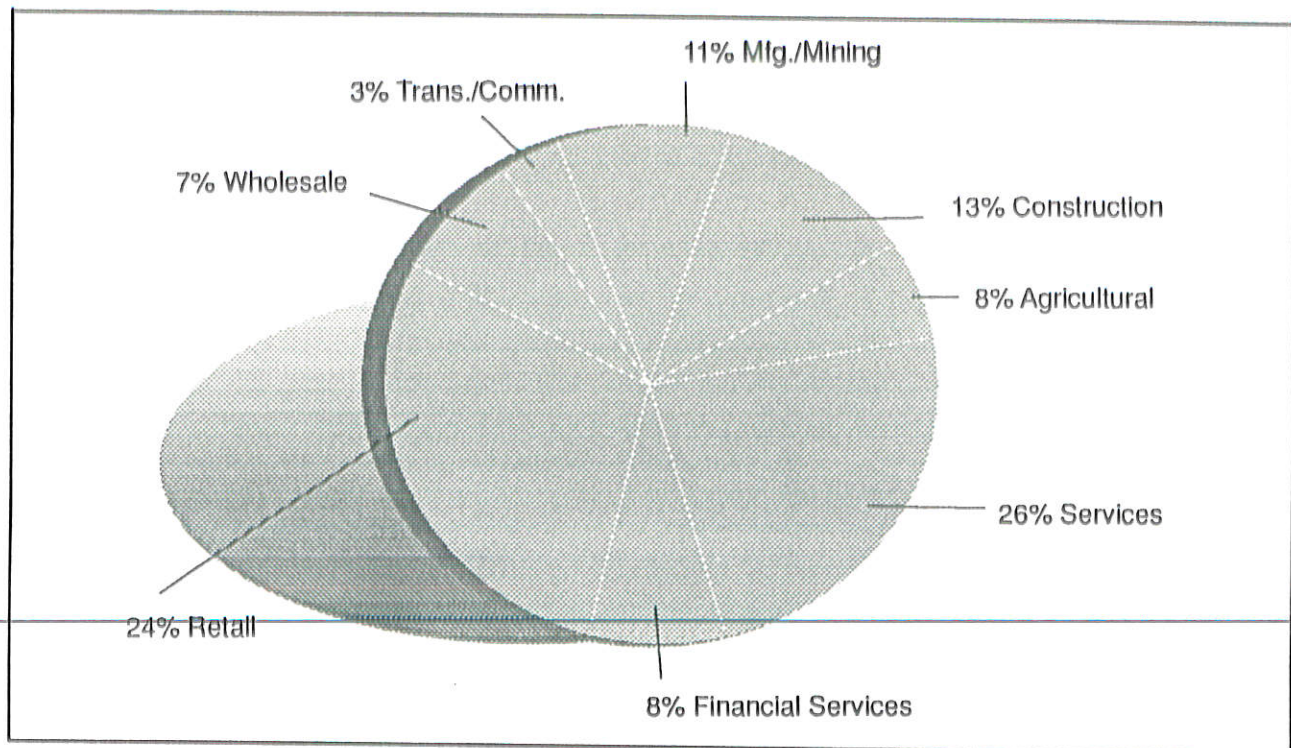
With nearly 8,000 members, the Topeka-based National Federation of Independent Business/Kansas is the state's largest small-business advocacy organization. Independent-business owners join the federation to have a greater say in the crafting of legislation and regulations that affect their lives and livelihoods.

NFIB/Kansas draws its members from all walks of commercial life: from family farmers to neighborhood retailers, from independent manufacturers to doctors and lawyers, from wholesalers to janitorial service firms.

Each year NFIB/Kansas polls its diverse membership on a variety of issues. The federation uses the poll results to form its legislative agenda, aggressively lobbying in support of positions approved by majority vote.

Because policy is determined by direct vote of the membership rather than by a steering committee or board of directors, NFIB/Kansas lobbyists have exceptional credibility as spokespersons for the entire small-business community. Rather than represent the narrow interests of any particular industry or trade group, NFIB/Kansas promotes the consensus view of small-and independent-business owners from throughout the state.

### N F I B / K A N S A S M E M B E R S H I P by Industry Classification



NFIB Federal Legislative Office  
600 Maryland Ave. Sw, Ste. 700  
Washington, DC 20024  
(202) 554-9000

3601 S.W. 29th St.  
Ste. 107  
Topeka, KS 66614  
(913) 271-9449

NFIB Membership Development  
53 Century Blvd., Suite 205  
Nashville, TN 37214  
(615) 872-5300

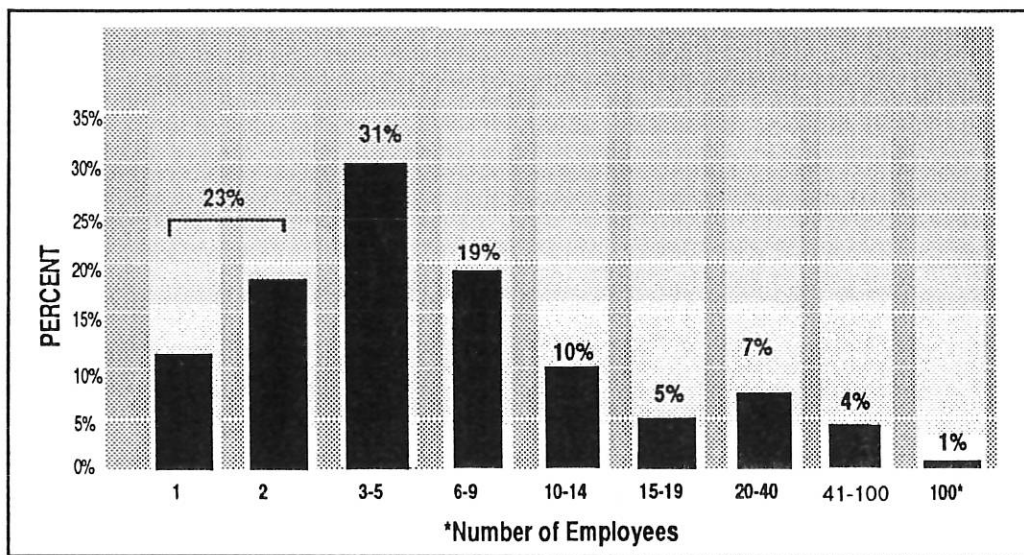
**NFIB**  
National Federation of  
Independent Business

# N F I B / K A N S A S M E M B E R S H I P P R O F I L E

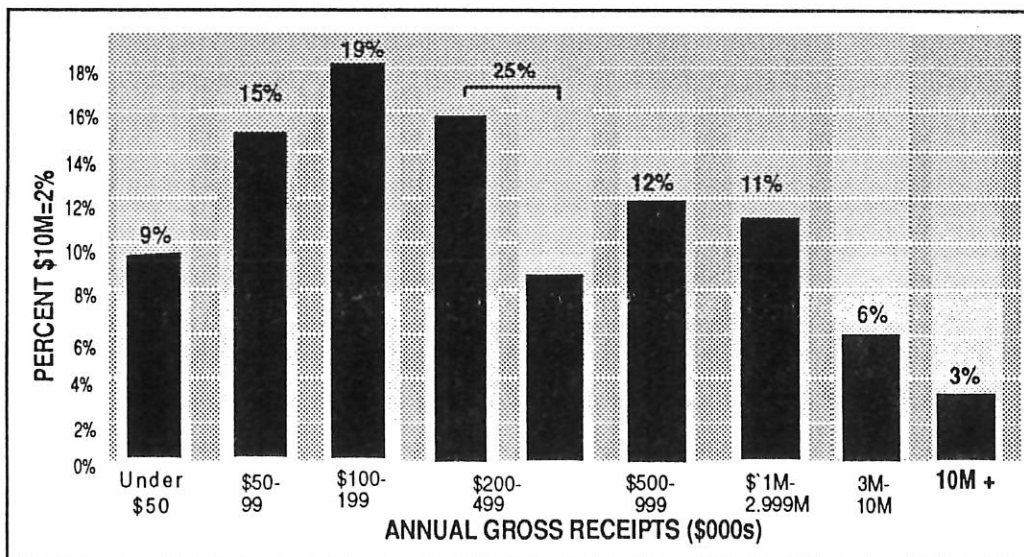
NFIB/Kansas represents the entire spectrum of independent business, from one-person "cottage" operations to quite substantial enterprises.

The typical NFIB/Kansas member employs five workers and rings up gross sales of about \$270,000 per year. In aggregate, the organization's members employ nearly 92,000 workers.

## N F I B / K A N S A S M E M B E R S H I P by Number of Employees



## N F I B / K A N S A S M E M B E R S H I P by Annual Gross Receipts



2/10/95 5-4



**MANPOWER**  
TEMPORARY SERVICES

**STATEMENT OF TESTIMONY**  
**House Business, Commerce and Labor Committee**

**DATE:** February 9, 1995  
**RE:** House Bill 2305, relating to Kansas Employment Security Law  
**FROM:** Jackl Summerson, Manpower Temporary Services (913/267-4060)

My husband and I own and operate the Manpower Temporary Services franchise offices in Kansas. We have seventeen offices throughout the state. Our company is one of several employers in the State of Kansas that provide thousands of employment opportunities to people who are in the process of looking for permanent employment but need work or simply want limited employment. On the average, we employ approximately 3,000 people per week. In 1994, we sent out about 16,000 W-2s. Some of these people would otherwise be drawing unemployment benefits if we didn't provide them with work.

I am here to testify in favor of Senate Bill 2305.

The Kansas Unemployment Trust Fund has grown to a current balance of \$726 million. If nothing is done, it will continue to grow to \$800 million by the end of 1995. That would pay unemployment benefits for almost 5 years without collecting any additional taxes or drawing any interest. The Kansas fund is the third healthiest fund when compared to all other states. The purpose of this bill is to lower the balance of the fund to a reasonable and prudent amount of approximately \$500 million and to return the excess dollars to the employers who have paid in excessive unemployment taxes. This bill does NOT impact benefits paid to unemployed workers.

This is a very fair bill. The bill establishes a moratorium on unemployment taxes for all "positive account balance" employers for a period of two years. It will be retroactive to January 1, 1995 so that no taxes will be due on April 30, 1995 for the 1st quarter of 1995 wages. All new employers will pay at a much reduced rate of 1% and all "negative account balance" employers will continue to pay at their current rate. The goal is to

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|--|---|--|
| Topeka, Kansas 66611<br>2901 Burlingame<br>(913) 267-4060    | Manhattan, Kansas 66502<br>555 Poyntz, Suite 245<br>(913) 776-1094  | Lawrence, Kansas 66044<br>211 East 8th Street, Suite B<br>(913) 749-2800 |
| Emporia, Kansas 66801<br>707 W. 6th Avenue<br>(316) 342-5751 | Junction City, Kansas 66441<br>838A S. Washington<br>(913) 776-1094 | Ottawa, Kansas 66067<br>407 South Main<br>(913) 242-1002                 |
|  |   | Osage City, Kansas 66523<br>518 Market<br>(913) 528-8152                 |

reduce the fund to a balance of approximately \$500 million and to maintain it at that level. The taxes will be reinstated after a period of two years at a level that will maintain the fund at \$500 million. (There is a provision to reinstate the taxes earlier in case of excessive layoffs in the state.)

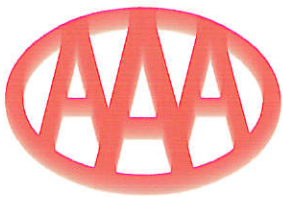
By placing a moratorium on unemployment taxes, this bill also has an economic impact on the state since employers will have extra money to invest in additional equipment, additional jobs, etc. Employers will have extra money to spend on buying new equipment, expanding their facilities, and creating new jobs. In addition, new employers could be attracted to Kansas since their unemployment rate will be almost 70% less than the current rate for new employers in the state.

In our case, the extra money from the savings of these taxes would allow us to open several more offices throughout the State. By opening more offices, we would buy more equipment in the state, provide at least 20 new permanent jobs and 400-500 new employment opportunities for Kansas citizens. In addition, we would buy several new computers for our offices to expand the *free* computer training that is offered for our temporary employees. This allows them to improve their job skills and improve their chances for obtaining a permanent job.

Most business people are bright enough to realize that this is a one time moratorium on unemployment taxes and that the taxes will be reinstated after a period of two years. This simply gives us a two year infusion of cash that we can expand our businesses with.

I ask for your support on this bill.





**KANSAS**

**AUTO CLUB  
INSURANCE  
TRAVEL AGENCY**

February 8, 1995

Hon. Al Lane, Chairman  
Business, Commerce and Labor Committee  
Kansas House of Representatives  
State Capitol, Room 115-S  
Topeka, Kansas 66612

**Re: House Bill 2035**

Dear Representative Lane:

Thank you for the opportunity to address you regarding HB 2035, by letter. I had hoped to speak to your committee at the hearing for this bill, but two pressing needs for my involvement are required at AAA during the two days set aside for the hearings, and I regret not being able to speak to you in person.

I was pleased to learn of the effort, through HB 2035, being made to recognize the overfunding in the State's Unemployment Trust Fund. The \$726 Million in the fund would pay unemployment benefits for over five years without collecting any additional taxes. Additionally, Kansas has the third most healthy fund balance of any state in the union. The Bill has been very wisely drafted, a)placing a moratorium on the payment of unemployment taxes for 1995 and 1996 on "positive account balance" employers, b)requiring a reduced rate of only 1% for new employers while c) requiring all "negative account balance" employers to keep up their current rate payments...the result being an anticipated draw down of the Fund. Even with these changes the Fund will still be quite healthy at the end of 1996: approximately \$500 Million.

This will have an *obvious, positive economic impact on our state*. AAA Kansas contributed \$15,490 in unemployment taxes to the fund in 1994. When I learned about the prospects of this Bill I realized our dream of being able to go forward with a training program we've been wanting to do, but just didn't have the funds to proceed, might now be a reality. Opportunities to teach new service and technical skills to our staff have been in drastic need. It has been very difficult for us, a small business employing 85 people in five Kansas communities, to keep up with the advances in technical knowledge, primarily in computer sciences. We realize having the necessary funds to provide training, enhancing skills of our people is a key factor in our ability to retain their employment, enhance the success of the organization and provide them with higher income opportunities. These issues have been "top of mind" for us at AAA over the past couple of years and we have been able to identify some funding, but not adequate funding. A moratorium of unemployment taxes, provided in HB 2035, will "put us over the top" in being able to see our training dreams become a reality.

*Business, Commerce  
& Labor*

**TOPEKA**  
3545 SW 6th  
P.O. Box 1129  
66601  
(913) 233-0222  
1-800-365-5222

**Wichita**  
650 N. Carriage Pky,  
Suite 80, 67208  
(316) 685-5241  
1-800-759-7222

**Wichita-West**  
7130 West Maple  
Suite 150, 67209  
(316) 942-0008

**Hutchinson**  
4 East 12th  
67501  
(316) 663-2169

**Pittsburg**  
410 N. Broadway  
66762  
(316) 231-8790

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*Attachment 7*

*Hon. Al Lane*  
*Page Two*

I am sure we are typical of many small businesses. For other employers, the Bill may provide opportunities for development of additional staff to expand their businesses they otherwise wouldn't be able to justify. Consider if training were not our number one issue. Two years savings of the size our company is would provide most of the funding and enable us to develop a program our national office would like to see us begin: Approved Auto Repair. AAR applies a tough AAA criteria for certification of auto mechanics and garages, and approving those for public use. For the consumer, knowing a facility is approved by meeting high AAA standards for the conduct of business, the program provides reassurance of doing business with reputable people who stand behind their work. The program provides no revenue for AAA Kansas, but would require staff to conduct and maintain the program across Kansas. Larger AAA clubs in more populated, larger clubs and states have been able to fund it, but we have not yet been able to do so.

I urge your favorable consideration of this very progressive bill. It makes a lot of sense. It will have a positive economic impact, regenerating revenue and taxes of other kinds across the state.

While I have the privilege of addressing you, I want you to know I applaud the efforts currently underway in the legislature to remedy the huge injustice and disparity of taxation applied to motor vehicles. Funding state government on the backs of the motorist has placed Kansas in an infamous top position among states for vehicle taxation that is detrimental to economic growth. I thank you for considering alternative methods of taxation and funding that are more in tune with those of other progressive states.

Sincerely,



James R. Hanni  
President & CEO