

Approved: 3/20/95 ha
Date

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

The meeting was called to order by Chairman Al Lane at 9:10 a.m. on March 16, 1995 in Room 526-S of the Capitol.

All members were present except: Rep. Jill Grant - excused
Rep. Broderick Henderson - excused
Rep. Shari Weber - excused

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

Conferees appearing before the committee:
Wayne Maichel, AFL/CIO
Rep. Gary Merritt
Bill Curtis, Assistant Executive Director, Kansas Association of School Boards
T. C. Anderson, Executive Director, Kansas Society of Certified Public Accountants
Bob Nugent, Revisor

Others attending: See attached list

Chairman Lane opened the meeting by turning over the Chair to Rep. Jan Pauls, Ranking Minority Member.

Continued Hearing on: **SB 106**—**Employment security, benefit disqualification for leaving work voluntarily or misconduct**

Wayne Maichel, AFL/CIO, returned to conclude his testimony. The AFL/CIO supports the majority of the bill but offered two amendments (see Attachment 4, March 15, 1995). These amendments concerned misconduct and adding reasonable to employer's reasonable written absenteeism policy. He answered questions from the committee.

A hand-out from Jackie Summerson, Manpower, about the court decision regarding temporary help and work assignments she mentioned in her testimony on March 15, 1995, was passed out to committee members (see Attachment 1).

Acting Chair Pauls asked if there were others who wished to testify on **SB 106**. Seeing none, she closed the hearing on the bill.

Gary Merritt, Chairman of the sub-committee on **SB 123**, gave a report on the bill (see Attachment 2). The sub-committee recommendation was to strike one section of the bill and make one amendment to the bill. Rep. Merritt made a motion that the committee accept the sub-committee report. It was seconded by Rep. Standifer, motion carried. A motion was made by Rep. Merritt to pass out **SB 123**, as amended. The motion was seconded by Rep. Mason and the bill was passed out as amended.

Chairman Lane thanked Rep. Pauls for conducting the hearing on **SB 106** and turned the Chair over to Rep. Packer to finish the meeting. Acting Chair Packer opened the hearing on **SB 30**.

Hearing on: **SB 30**—**Municipal group-funded pool premium contributions**

Bill Curtis, Assistant Executive Director, Kansas Association of School Boards, appeared as a proponent of **SB 30** (see Attachment 3). This bill was requested by them and contains the same provisions as Section 2 (a) of **SB 29**, but **SB 30** applies to public sector pools only. It is a measure that will bring municipal group funded pools in line with other group funded workers compensation pools. He concluded by answering questions from the committee.

Acting Chair Packer asked if there were others in the audience who wished to testify on **SB 30**. No one responded and he closed the hearing on the bill.

Chairman Lane made a motion that we pass out **SB 30** and place it on the Consent Calendar. Rep. Pauls seconded the motion, and the motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR, Room 526-S
Statehouse, at 9:10 a.m. on March 16, 1995.

Hearing on: SB 188--Certified public accountants, licensure and fees

T. C. Anderson, Executive Director, Kansas Society of Certified Public Accountants, appeared in support of SB 188. This bill would make a number of changes in the laws affecting certified public accountants (CPAs). Mr. Anderson read his testimony (see Attachment 4). Mr. Anderson ended his testimony by answering questions from the committee.

Acting Chair Packer closed the hearing on SB 188

Bob Nugent, Revisor, had a technical amendment for SB 188. On Page 7, line 4, strike out K.S.A., and on page 7, line 5, insert it after subsection (b) of K.S.A.

Rep. Merritt made a motion to amend SB 188 and pass it out favorably as amended. Rep. Heinemann seconded the motion. The motion passed.

Chairman Lane announced that the committee will work SB 106 and SB 175 at tomorrow's meeting. House Bill 2292 will be worked on Monday, March 20, if possible.

The meeting adjourned at 9:50 a.m.

The next meeting is scheduled for March 17, 1995.

HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE GUEST LIST

DATE March 16, 1995

NAME	REPRESENTING
Wayne Maicher	Y6 AFL-CIO
Nelson Nelson	" " "
Linda Tierce	KDHR
PAUL BICKNELL	KDHR
Bill Hayes	KDHR
Reggie Davis	KDHR
Al Kotich	KDHR
Joe Krahn	KDOT
Christy Young	Dr. Topeka Chamber Com
Scott Claassen	Post Audit
Leo Hafner	" "
Jim Newmeyer	Ks Governmental Consulting
Bill Jones	BOEING
Bill Curtis	Ks Assoc of School Bds
T.C. ANDERSON	KANSAS SOCIETY OF CPAs
Holly Corum	Topeka West High School
Dan Scoglio	" " "



MANPOWER
TEMPORARY SERVICES

DATE: March 15, 1995

TO: House Business, Commerce and Labor Committee

FROM: Jacki Summerson, Manpower Temporary Services (913/267-4060)

RE: Senate Bill 106, relating to Employment Security Law

The Committee requested information about a court decision regarding temporary help and work assignments being available. I have attached a memorandum addressed to the Committee last year from Jeffrey A. Chanay. It was discussing Senate Bill 738 in last year's session, but the subject matter is identical.

To agree with the court decision, we ask that the "and if a work assignment is available" on page 20, line 31-32 be struck from SB106.

Topeka, Kansas 66611
2901 Burlingame
(913) 267-4060

Manhattan, Kansas 66502
555 Poyntz, Suite 245
(913) 776-1094

*Business, Commerce
& Labor
3/16/95
Attachment 1*
Lawrence, Kansas 66044
211 East 8th Street, Suite B
(913) 749-2800

Emporia, Kansas 66801
707 W. 6th Avenue
(316) 342-5751

Junction City, Kansas 66441
838A S. Washington
(913) 776-1094

Ottawa, Kansas 66067
407 South Main
(913) 242-1002

Osage City, Kansas 66523
518 Market
(913) 528-8152

MEMORANDUM

TO: House Labor and Industry Committee

FROM: Jeffrey A. Chanay, Entz & Chanay

RE: Kansas Employment Security Law/Senate Bill 738

DATE: March 9, 1994

Since its initial passage in 1937, the Kansas Employment Security Law has been intended to address the problem of economic insecurity due to unemployment. Indeed, the State public policy, as set forth in K.S.A. 44-702, provides:

As a guide to the interpretation and application of this Act, the public policy of this state is declared to be as follows: Economic insecurity, due to unemployment, is a serious menace to the health, morals, and welfare of the people of this state. Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the legislature

The Kansas Supreme Court has stated the law is intended "to protect against involuntary unemployment - that is, to provide benefits for those who are unemployed through no fault of their own and who are willing, anxious and ready to support themselves and their families, and who are unemployed because of conditions over which they have no control." Clark v. Board of Review Employment Security Division, 187 Kan. 695,698 (1961). An unemployed person is eligible to receive benefits only if it is found that he is able to work, is available for work, and is making reasonable efforts to obtain work. Id.

On behalf of Topeka Services, Inc. and Wichita Services, Inc., the Manpower franchisees for most of the State of Kansas, it is requested that Senate Bill 738, as amended by the Senate Commerce Committee, be recommended favorably for passage by the House Labor and Industry Committee.

For many years, both Topeka Services, Inc. and Wichita Services, Inc. have been involved in disputes with the Department of Human Resources concerning the proper elements of proof in determining benefit disqualifications in situations where an employee completes a temporary job assignment and contrary to the employment agreement, fails to make themselves available for an additional job assignment. The Manpower franchisees have taken the position that an employee is disqualified from receiving benefits if the individual left work voluntarily without good cause attributable

to the work of the employer at the conclusion of one job assignment and fails to return to work on the next succeeding day to request an additional job assignment. The Department of Human Resources, on the other hand, have taken the position that a temporary employment agency must not only show that the employee left work without good cause attributable to the work or the employer, but must also show that comparable work at comparable pay would have been made available to the claimant had the claimant actually sought additional work. In the Topeka Services, Inc. v. Employment Security Board of Review case, Shawnee County District Judge James Buchele held:

Applying the foregoing principles to the issue presented by the three cases before the Court compels the conclusion that if the employer offers credible evidence that the employee did not call in or otherwise failed to report his/her availability for additional work, the burden to prove availability for work shifts to the claimant to establish eligibility. An employer should not be required to prove that specific work assignments were available until it has been established that the employee was available for work. The Court concludes that an employee's availability for work is a threshold question to be determined in a hearing on an application for unemployment benefits. Whether or not the employer has work available is secondary and is a moot question if the employee has not reported for work.

The Employment Security Board of Review did not appeal Judge Buchele's decision and instead allowed the decision to become binding upon the parties. Thus, the law in Kansas, at least as between the parties to the litigation, is that the employer is not required to prove that specific or comparable work assignments were available until it has been established that the employee was available for work at the conclusion of the temporary assignment.

The original version of Senate Bill 738 had the phrase "and when comparable work is available" included in the proposed amendment to K.S.A. 44-706(a)(page 2, line 37). However, the Senate Commerce Committee struck this language as unfair and unworkable because it would have required temporary employers to prove that comparable work would have been available to a claimant if the claimant had actually returned to work when required. The current language found in Senate Bill 738 is the law and merely codifies the test enunciated by Judge Buchele. It is submitted that this ~~test is the fairest and most objective means of measuring eligibility for unemployment benefits.~~

Thank you for your consideration of this matter, and my clients ask that the Committee report Senate Bill 738 favorably without further amendment.

GARY A. MERRITT
REPRESENTATIVE, TWENTIETH DISTRICT
JOHNSON COUNTY
10301 GRANADA
OVERLAND PARK, KANSAS 66207

STATE CAPITOL, ROOM 175-W
TOPEKA, KANSAS 66612-1504
913-296-7895



TOPEKA

COMMITTEE ASSIGNMENTS
BUSINESS, COMMERCE AND LABOR
FINANCIAL INSTITUTIONS AND INSURANCE
HEALTH AND HUMAN SERVICES
JOINT COMMITTEE ON PENSIONS
INVESTMENTS AND BENEFITS

March 15, 1995

Sub-Committee Members:

Rep. Sabrina Standifer
Rep. William Mason
Rep. Gary Merritt, Chairman

**Report of House Business, Commerce and Labor Sub-Committee
on Senate Bill 123**

The Sub-Committee makes the following recommendations:

Section 1. The testimony provided to the sub-committee indicates that there is a substantial amount of education available to those involved in acquisition of rights-of-way and easements. We did find, however, that there is not a requirement for this education, most of the testimony indicates there have been few problems or complaints.

We request the Real Estate Commission monitor the situation and if problems or abuses occur, we ask the Commission initiate appropriate action and change of statutes.

The second issue in this section deals with right of redemption. Testimony indicates that these rights may be interpreted as either personal property or as real estate. For purposes of Real Estate License Law these rights should be interpreted to be real estate.

Section 2. The sub-committee recommends that the current requirement of two years experience in order to qualify for a Broker's License be maintained.

The recommendation does, however, suggest passage of the balloon amendment (attached) which grants special authority to the Real Estate

*Business, Commerce
& Labor
3/16/95
Attachment 2*

Commission, upon evidence of a compelling need, to waive or alter such requirements in counties of 20,000 population or less.

Section 3. Recommend Passage as proposed.

Section 4. Recommend Passage as proposed.

The sub-committee, conferees and staff agreed on the preceding report.

1 (c) "Supervising broker" means an individual, other than a branch
 2 broker, who has a broker's license and who has been designated as the
 3 broker who is responsible for the supervision of the primary office of a
 4 broker and the activities of salespersons and associate brokers who are
 5 assigned to such office and all of whom are licensed pursuant to subsec-
 6 tion (b) of K.S.A. 58-3042 and amendments thereto. "Supervising broker"
 7 also means a broker who operates a sole proprietorship and with whom
 8 associate brokers or salespersons are affiliated as employees or independ-
 9 ent contractors.

10 Sec. 2 K.S.A. 58-3039 is hereby amended to read as follows: 58-
 11 3039. (a) Any person desiring to act as a broker or salesperson must file
 12 a written application for a license with the commission or, if required by
 13 the commission, with the testing service designated by the commission.
 14 The application shall be in such form and detail as the commission shall
 15 prescribe and shall be accompanied by the appropriate application and
 16 license fees.

17 (b) A license to engage in business as a broker or salesperson shall
 18 be granted only to a person who is 18 or more years of age and who has
 19 a high school diploma or its equivalent.

20 (c) In addition to the requirements of subsection (b), each applicant
 21 for an original license as a broker shall have been

22 (1) Licensed as a salesperson in this or another state or as a sales-
 23 person or broker in another state, and shall have been actively engaged
 24 in any of the activities described in subsection (f) of K.S.A. 58-3035 and
 25 amendments thereto for a period of at least two years during the five
 26 years immediately preceding the date of the application for a license; or

27 (2) ~~Licensed as a salesperson in this state, or as a salesperson or broker~~
 28 ~~in another state, and shall have been actively engaged in activities de-~~
 29 ~~scribed in subsection (f) of K.S.A. 58-3035 and amendments thereto for~~
 30 ~~at least one year immediately preceding the date of the application for a~~
 31 ~~license and shall have attended, in addition to the 24 hours of instruction~~
 32 ~~attended pursuant to subsection (b) of K.S.A. 58-3064a and amendments~~
 33 ~~thereto, a course of instruction prescribed by the commission.~~

strike

34 The commission may accept proof of experience in the real estate or a
 35 related business or a combination of such experience and education which
 36 the commission believes qualifies the applicant to act as a broker.

37 (d) Except as provided in K.S.A. 58-3040 and amendments thereto,
 38 each applicant for an original license shall be required to pass a written
 39 examination covering generally the matters confronting brokers or sales-
 40 persons, and no license shall be issued on the basis of such an examination
 41 either or both sections of which were administered more than four
 42 months prior to the date that the applicant's application is filed with the
 43 commission. The examination may be given by the commission or any

2

If an applicant resides in a county that according to the 1994 estimates of the U.S. bureau of the census has a population of 20,000 or less, the commission may, upon a finding that such county suffers from a shortage of brokers and upon compelling evidence of need, waive or alter the requirements of this subsection. The commission shall adopt rules and regulations to establish alternative licensing criteria for such applicants.

Estimates of the Resident Population of States and Counties,
and Percent Change 4/1/90 to 7/1/94 Issued 1/18/95

Source: Population Estimates, and Population Distribution Branches
US Bureau of the Census

Consistent with the estimates of state population released in
Dept. of Commerce Press Release CB94-204, on 12/28/94

The 4/1/90 census counts include count resolution corrections and boundary
changes processed through March 1994, and do not include adjustments for
census coverage errors.

For additional county information call the Population Division Information
Office on 301 457-2422.

Fips Area Name	4/1/90	7/1/94	%chg
20000 Kansas	2477588	2554047	3.1
20001 Allen County	14638	14794	1.1
20003 Anderson County	7803	7905	1.3
20005 Atchison County	16932	16754	-1.1
20007 Barber County	5874	5609	-4.5
20009 Barton County	29382	28896	-1.7
20011 Bourbon County	14966	14862	-0.7
20013 Brown County	11128	11031	-0.9
20015 Butler County	50580	55735	10.2
20017 Chase County	3021	2917	-3.4
20019 Chautauqua County	4407	4372	-0.8
20021 Cherokee County	21374	22054	3.2
20023 Cheyenne County	3243	3266	0.7
20025 Clark County	2418	2409	-0.4
20027 Clay County	9158	9266	1.2
20029 Cloud County	11023	10516	-4.6
20031 Coffey County	8404	8651	2.9
20033 Comanche County	2313	2151	-7
20035 Cowley County	36915	37240	0.9
20037 Crawford County	35582	36332	2.1
20039 Decatur County	4021	3586	-10.8
20041 Dickinson County	18958	19726	4.1
20043 Doniphan County	8134	7625	-6.3
20045 Douglas County	81798	88031	7.6
20047 Edwards County	3787	3557	-6.1
20049 Elk County	3327	3332	0.2

20051 Ellis County	26004	26015	0
20053 Ellsworth County	6586	6459	-1.9
20055 Finney County	33070	34726	5
20057 Ford County	27463	28477	3.7
20059 Franklin County	21994	23207	5.5
20061 Geary County	30453	31099	2.1
20063 Gove County	3231	3162	-2.1
20065 Graham County	3543	3390	-4.3
20067 Grant County	7159	7676	7.2
20069 Gray County	5396	5380	-0.3
20071 Greeley County	1774	1803	1.6
20073 Greenwood County	7847	7995	1.9
20075 Hamilton County	2388	2311	-3.2
20077 Harper County	7124	6694	-6
20079 Harvey County	31028	31727	2.3
20081 Haskell County	3886	3993	2.8
20083 Hodgeman County	2177	2242	3
20085 Jackson County	11525	11634	0.9
20087 Jefferson County	15905	16822	5.8
20089 Jewell County	4251	3943	-7.2
20091 Johnson County	355021	392975	10.7
20093 Kearny County	4027	4139	2.8
20095 Kingman County	8292	8469	2.1
20097 Kiowa County	3660	3604	-1.5
20099 Labette County	23693	23148	-2.3
20101 Lane County	2375	2322	-2.2
20103 Leavenworth County	64371	68852	7
20105 Lincoln County	3653	3454	-5.4
20107 Linn County	8254	8570	3.8
20109 Logan County	3081	3145	2.1
20111 Lyon County	34732	34703	-0.1
20113 McPherson County	27268	28101	3.1
20115 Marion County	12888	13077	1.5
20117 Marshall County	11705	11270	-3.7
20119 Meade County	4247	4289	1
20121 Miami County	23466	24723	5.4
20123 Mitchell County	7203	7080	-1.7
20125 Montgomery County	38816	37706	-2.9
20127 Morris County	6198	6321	2
20129 Morton County	3480	3399	-2.3
20131 Nemaha County	10446	10443	0
20133 Neosho County	17035	16967	-0.4

20135 Ness County	4033	3840	-4.8
20137 Norton County	5947	5744	-3.4
20139 Osage County	15248	16325	7.1
20141 Osborne County	4867	4695	-3.5
20143 Ottawa County	5634	5634	0
20145 Pawnee County	7555	7721	2.2
20147 Phillips County	6590	6362	-3.5
20149 Pottawatomie County	16128	17425	8
20151 Pratt County	9702	9605	-1
20153 Rawlins County	3404	3299	-3.1
20155 Reno County	62389	62551	0.3
20157 Republic County	6482	6240	-3.7
20159 Rice County	10610	10320	-2.7
20161 Riley County	67139	67778	1
20163 Rooks County	6039	5936	-1.7
20165 Rush County	3842	3566	-7.2
20167 Russell County	7835	7668	-2.1
20169 Saline County	49301	51433	4.3
20171 Scott County	5289	5157	-2.5
20173 Sedgwick County	403662	419367	3.9
20175 Seward County	18743	19123	2
20177 Shawnee County	160976	165121	2.6
20179 Sheridan County	3043	2825	-7.2
20181 Sherman County	6926	6886	-0.6
20183 Smith County	5078	4806	-5.4
20185 Stafford County	5365	5231	-2.5
20187 Stanton County	2333	2299	-1.5
20189 Stevens County	5048	5177	2.6
20191 Sumner County	25841	26436	2.3
20193 Thomas County	8258	8341	1
20195 Trego County	3694	3470	-6.1
20197 Wabaunsee County	6603	6638	0.5
20199 Wallace County	1821	1816	-0.3
20201 Washington County	7073	6810	-3.7
20203 Wichita County	2758	2886	4.6
20205 Wilson County	10289	10292	0
20207 Woodson County	4116	4020	-2.3
20209 Wyandotte County	162026	155075	-4.3



Testimony on S.B. 30
before the
House Committee on Business, Commerce & Labor
by

Bill Curtis, Assistant Executive Director
Kansas Association of School Boards

March 15, 1995

Mr. Chairman and members of the committee, we appreciate the opportunity to testify today on behalf of the Kansas Association of School Boards in support of SB 30. The bill was introduced at our request and contains the same provisions as Section 2 (a) of SB 29. SB 29 passed out of this committee and currently is on the consent calendar of the House.

SB 30 would permit municipal group-funded pools to determine their own rates for workers compensation with the approval of the Commissioner of Insurance if the pool has been in operation for more than five years. Current law requires pools to use rates promulgated by the National Council on Compensation Insurance (NCCI). Beginning this year, NCCI will file only loss cost rates which may or may not be used by insurance companies. Pools are simply asking for the same flexibility to determine their rates. Of course, the marketplace will insure that rates for insurance companies and pools remain competitive.

Thank you for the time to present the views of our association on this issue. We urge the committee's support for SB 30.

*Business, Commerce
& Labor
3/16/95
Attachment 3*



**Kansas Society of
Certified Public Accountants**

400 CROIX / P.O. BOX 5654 / TOPEKA, KANSAS 66605-0654 / 913-267-6460 / FAX 913-267-9278

Testimony on SB 188

Presented to the

House Business, Commerce and Labor Committee

by

T.C. Anderson
Executive Director

March 16, 1995

*Business, Commerce
& Labor
3/16/95
Attachment 4*

Chair Lane and Members of the Committee:

I am T.C. Anderson, Executive Director of the Kansas Society of Certified Public Accountants. I appear before you today to urge your favorable consideration of SB 188 as amended which, if enacted, would change the practical experience requirement to qualify for a permit to practice as a certified public accountant. The bill would also allow non-Kansas residents to obtain a Kansas CPA certificate, thus making it possible to eliminate the temporary permit to practice now required for out-of-state practitioners; raise statutory fee limits; update the Accountancy Act to include the new forms of business organization approved by the Legislature over the past few years; permit the registration of foreign accountants provided they meet certain requirements; and authorize the Board of Accountancy to assess up to \$1,000 in administrative fines against licensees.

It has been 14 years since the Legislature last addressed the experience requirement for the permit to practice as a CPA in Kansas. In 1981 legislation was passed that set the following requirements:

1. With a baccalaureate degree-- two years' experience, including six-months' audit training, under the direct supervision of a permit holding CPA in public practice; or 18 months' work in the Legislative Division of Post Audit and six months' audit training under a permit holding CPA in public practice.
2. With a master's or higher degree-- six months' audit training under the direct supervision of a permit holding CPA in public practice or one-years' experience with the Legislative Division of Post Audit.

I want you to know we have consulted with the Legislative Post Auditor and her staff on these changes. They have not voiced any objection.

Several things have evolved since 1981 that warranted a review by the profession of the experience requirement. First, many Kansas firms are performing fewer audits than they did a decade ago. This is due in part to an explosion of professional standards and federal regulations, and increased liability exposure. As a result it has become next to impossible for new accountants joining small Kansas CPA firms to obtain the six-month auditing requirement within a reasonable period of time, if at all. Second, many new entrants into the profession have no desire to do attest function engagements. These individuals want to specialize in tax, computers, personal financial planning or business valuations, yet they still must participate in enough attest function engagements to meet the six-month audit requirement.

In addition, the Legislature has enacted laws in the last few years designed to enhance the qualifications of candidates who sit for the CPA examination and to enhance the quality of the profession's work product.

With these developments in mind, Task Forces of both the State Board of Accountancy and Kansas Society have met over the past two years on the experience question. Their combined studies have resulted in recommended changes to the experience requirement that appear in Section 2 of SB 188 beginning on page 2, line 28:

1. A Kansas permit to practice would be issued to a certificate holder who completes one year of accounting experience that is satisfactory to the Board and obtained under the direct supervision of a certified public accountant who holds a valid permit to practice. Thus for those individuals who do not wish to pursue a career in auditing, the experience requirement would be reduced from two years to one, and the need for six month's audit training would be eliminated. In addition the experience could be obtained under permit holding CPAs in industry and government service, as well as those in public practice.

2. For those who wish to perform and sign audits, reviews, projections and forecasts an additional year of experience would be needed. This experience would be obtained under a CPA in public practice and would include the six-month audit training.

3. As a substitute for this additional year of experience, SB 188 would allow a permit holder with one year's experience to perform and sign an audit, review, projection and forecast, provided a preissuance review of the final product was conducted by a permit holder qualified to do such work. A preissuance review of the first 1,000 hours of audit or review work would equal the additional year of experience. Prior to beginning such an engagement the permit holder would notify the Board in writing of the name of the client, type of report to be issued and the name of the qualified permit holder who would perform the preissuance review.

This provision has been included to assist candidates who are unable to obtain the audit training in their local communities, but who do desire to perform attest engagements.

Other changes to the accountancy law contained in SB 188 are as follows:

Section 1, beginning on page 1 provides for increases in the statutory fee limits the Board may charge candidates for the CPA exam, certificate and permit to practice. Statutory fee language for the positive report review program would be repealed since the program has been replaced with Peer Review. In addition, the temporary permit to practice fee is abolished since this type permit is repealed later in the bill. An additional fee category is added for proctoring the CPA examination for a candidate from another state.

Section 3, beginning on page 3, line 42 contains the removal of the residency requirement for the issuance of a Kansas certificate. This will offer the Board a means of providing for reciprocal recognition of licensees of other states and remove the need for temporary permits to practice found in K.S.A. 1-320. The criteria for reciprocity begins on page 4, line 14. It requires a determination that the certificate of the other state has been issued on the basis of education and examination requirements comparable to those of this state, but makes allowance for an experience requirement--five years in practice during the past 10--as a substitute for these.

Language granting a reciprocal certificate to foreign accountants who meet standards equivalent to those in this state begins on line 24. The requirements of this section are based on professional competence, education and experience. In addition, passage of a uniform qualifying examination in national standards and an examination on the laws, regulations and code of conduct in effect in this state are also required of the foreign applicant.

All but one of the balance of the amendments contained in SB 188 deal with updating the statutes to include the new types of business entities that may register with the Board. Limited liability partnerships, limited liability companies and general corporations have been added. These forms of business entity for CPA practice have been approved by the Legislature over the past few years.

The last change in SB 188 occurs on page 6, line 36. It would grant the authority to the Board to limit the scope of practice of any permit holder and to impose an administrative fine not exceeding \$1,000 on any licensee.

Thank you for allowing me the opportunity to appear before you today in support of SB 188 as amended. I'll be happy to stand for questions.