

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

The meeting was called to order by Chairman Al Lane at 9:06 a.m. on February 13, 1996 in Room 526-S of the Capitol.

All members were present except: Rep. Broderick Henderson - excused
Rep. Gary Merritt - excused

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

Conferees appearing before the committee: Rep. Doug Lawrence
Rep. Ed McKechnie
Alfred Link, Legislative Chairman of EANGK
LTC Butch Dowse, National Guard Assn of Kansas
MG James Rueger, National Guard of Kansas
Roger Aeschliman, Deputy Secretary of KDHR
Lt. Col. Randy Mettner, National Guard of Kansas
Charles Warren, Pres., Kansas Inc.
Harry Harrington, general counsel, Information Network of KS
Janet Chubb, Asst. Secretary of State
Kyle Smth, Asst. Attorney General, KBI
Jennifer Wentz, Deputy Asst. Secretary of State
John Lafaver, Secretary of Revenue

Others attending: See attached list

Hearing on:

HB 2817 - Reemployment of members of Kansas national guard after called to duty.

Rep. Doug Lawrence appeared before the committee as one of the main sponsors of the bill. The bill recognizes the important services provided to our state by the Men and Women of the National Guard. Included with his testimony is a balloon with changes suggested by the Adjutant General's office. (see Attachment 1) He concluded his testimony by answering questions from the committee.

Rep. Ed McKechnie, another main sponsor of the bill, appeared as a proponent. In his testimony he told of the National Guard being mobilized twice in his legislative district while he has served as a legislator. He supports this bill to assure that civilian jobs would be waiting for these people on their return to them. (see Attachment 2)

Alfred Link appeared as a proponent of **HB 2817**. He is a retired member of the Kansas National Guard and the Legislative Chairman of the Enlisted Association of the National Guard of Kansas (EANGK) He stated that all states provide reemployment rights for guardspeople called to Federal Active Duty, but some states, including Kansas, do not have laws protecting these rights when they are called to State Active Duty to assist communities in case of flood, tornadoes, or other disasters. This bill provides this protection for Guardspeople called to serve their community and state. (See Attachment 3)

LTC Butch Dowse, National Guard Association of Kansas, appeared before the committee as a proponent of the bill. The association wished to go on record as being strongly in favor of the passage of the bill. The bill would protect those who are always on call to protect and aid their fellow citizens. (See Attachment 4)

Major General James F. Rueger, Adjutant General, appeared in support of **HB 2817**. He believes that the passage of the bill will provide the men and women of the National Guard with the security they deserve while performing state active duty. (See Attachment 5) He concluded by answering questions.

Roger Aeschliman answered a few questions from the audience speaking as a company commander in the National Guard. He feels that it is important that employers support guard members.

Lt. Col. Randy Mettner, National Guard of Kansas, also answered questions from the committee about Employer Support for Guard and Reserve (ESGR), a group of employers and citizens of the state that have formed the group to support the National Guard and USAR. Their goal is to bridge the gap between employers and guard who are having trouble.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR, Room 526-S
Statehouse, at 9:06 a.m. on February 13, 1996.

No other conferees were in attendance and the hearing on **HB 2817** was closed.

Hearing on:

HB 2826 - Authorizing electronic filing of business documents.

Charles Warren, President of Kansas Inc., appeared as a proponent of the bill. He was a member of the Task Force on the Kansas Business Electronic Filing System. The bill is an authorization for the Secretary of State's office, the Department of Revenue, and the Department of Human Resources to develop a system for "One-Stop Shop" for new businesses to file registration applications in the State of Kansas. (see Attachment 6)

Roger Aeschliman, Deputy Secretary of the Kansas Department of Human Resources, appeared as a proponent of the bill. It is their belief that this system will save businesses in Kansas hundreds of thousands of dollars over the years though implementation. It should also save his department some revenue.

Harry Harrington, general Counsel, Information Network of Kansas (INK), appeared before the committee in support of the bill and also to answer questions. The system would be available on INK. The businesses would be able to use INK to fill out a form which would later be put into the form requested by each agency. When the information is approved by these agencies, the agency would transmit its acceptance of the application to the filer.

Janet Chubb, Asst. Secretary of State, appeared for Ron Thornburgh, Secretary of State, and brought his written testimony. The Secretary of State's office feels that the system would cut down on the red tape of starting a business or making changes in a business's existing structure. It would be convenient, accessible and timely. It would also reduce paperwork, although it would not totally replace paper filing. She ended her appearance before the committee by answering questions. (see Attachment 7)

Kyle Smith, Asst. Attorney General, KBI, appeared before the committee to ask for an amendment to **HB 2826** that would change the name of the statute from "Making a false writing" to "Making false information," and adding electronic information to the types of false documents that are prohibited. (see Attachment 8)

Jennifer Wentz, Deputy Asst. Secretary of State, answered questions about signatures and electronic documents.

John LaFaver, Secretary of Revenue, appeared before the committee to add his support to the bill. The Department of Revenue is engaged in "Project 2000", a strategy to move the administration of taxation into the 21st Century. One of the first steps is putting Kansas tax forms on the Internet so firms and individuals with access to the Internet can access them directly. The strategy is to move information from the department to the taxpayer and back as efficiently as possible and to save time and money. He feels that this legislation will help the process.

No other conferees were present and Chairman Lane closed the hearing on **HB 2826**.

Chairman Lane made an announcement that House Bills 2817, 2826, 2742, 2744, 2745 and 2746 will be worked this week.

Committee Action on:

HB 2817 - Reemployment of members of Kansas national guard after called to duty.

A motion was made by Rep. Pauls to pass the bill out favorably with the amendments in the balloon in the testimony of Rep. Lawrence (see Attachment 1). It was seconded by Rep. Becker. The motion carried and HB 2817 was passed as amended.

HB 2826 - Authorizing electronic filing of business documents.

Rep. Geringer made a motion to pass out the bill favorably as amended by Kyle Smith of the KBI. (see Attachment 8) It was seconded by Rep. Grant. Bob Nugent offered a technical amendment on line 16, after the number 17, inserting ".44." HB 2826 was passed out favorably as further amended.

The meeting was adjourned at approximately 9:58 a.m.

The next meeting is scheduled for February 14, 1996.

HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE
GUEST LIST

DATE February 13, 1996

NAME	REPRESENTING
A. J. Kotich	DHR
PAUL BICKNELL	DHR
Roger Aeschliman	DHR
Lt Col RANDY METNER	National Guard - KS
MSG JAMES RUBEN	" " "
Kyle Smith	KBI
Alfred Link	EANGK
J George Pfeffer	EANGK
Pam O'Toole	National Guard Assn. of KS
LTC Butch Dowse	National Guard Assn of KS
MSG GREG Gilroy	ENLISTED ASSOC OF N Guard KS.
CSM Warren J. Smith	National Guard - KS
JASON PITTSBEDGER	BRAD SMOOT - KGC
Harry Herington	Information Network of KS
Joseph Newells	" " " "
Chuck Knapp	Sec. of State
Jenay Wertz	Sec. of State
GUM Currenfeldt	Intern
J. Chubb	SOS

Ron Smith
Charles Wane

Ks Bar
Kanson Inc.

HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE
GUEST LIST

DATE 2/13/96 (cont.)

NAME	REPRESENTING
Amy Waddle	OJA
Cindy Schmiedeler	K. DOC. H

Doug Lawrence

STATE REPRESENTATIVE

902 MIAMI

BURLINGTON, KS 66839



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

CHAIRMAN: SELECT COMMITTEE ON
TELECOMMUNICATIONS
MEMBER: ENERGY AND NATURAL RESOURCES
TAXATION

Thank you for the opportunity to address HB 2817. I appreciate the chairman's indulgence in bringing this matter before the committee quickly.

I believe HB 2817 is important legislation. In simple terms, this bill recognizes the important services provided to our state by the Men and Women of the National Guard.

If the President calls on the Guard to serve our country in Bosnia, or the Gulf, federal legislation provides job protection. A guard member can't lose their employment as a result of having served their country.

I was quite surprised to learn that the same is not true in the case where the Governor calls our the guard for state duty. This bill extends the same protections provided under federal law to state statute.

This would be a two page bill, if it weren't for the fact that there are 118 co-sponsors. Sections a, b, and c outline the requirements and conditions for re-employment. Section d. covers remedies for a failure to re-employ.

The language before you was based on Louisiana Law. The Adjutant General's office has reviewed the proposed language and has some suggested revisions to make the law consistent with Kansas Law, and more workable in our situation. Included with my testimony is a copy of the balloon with those suggested changes.

Others will speak more fully to this issue. I appreciate your consideration of this legislation, and I urge your favorable consideration with the amendments as proposed by the Adjutant General's office.

*House Business, Commerce
& Labor Committee
2/13/96
Attachment 1*



TOPEKA

HOUSE OF
REPRESENTATIVES

ED MCKECHNIE

REPRESENTATIVE, THIRD DISTRICT
224 W. JEFFERSON
PITTSBURG, KANSAS 66762
(316) 231-1669

OFFICE

JAN.—APRIL
ROOM 302-S
STATEHOUSE
TOPEKA, KS 66612
(913) 296-7699

DEMOCRATIC WHIP

COMMITTEE ASSIGNMENTS
RANKING DEMOCRAT: SELECT COMMITTEE ON
DEVELOPMENTAL
DISABILITIESMEMBER: JOINT COMMITTEE ON STATE
BUILDING CONSTRUCTION
JOINT COMMITTEE ON LEGISLATIVE
POST AUDIT
CALENDAR AND PRINTINGVICE CHAIR: NATIONAL CONFERENCE OF
STATE LEGISLATURES TASK
FORCE ON DEVELOPMENTAL
DISABILITIES

Testimony by Rep. Ed McKechnie
Supporting HB 2817
February 13, 1996

Thank you, Mr. Chairman, for the opportunity to present testimony in support of HB 2817. I am pleased to have worked with Rep. Doug Lawrence in the creation of this bill and with the Adjutant General's office on the balloon amendment.

I encourage you to adopt the amendment and recommend the bill favorably for passage.

Since I have been a member of the Kansas Legislature, the Kansas Army National Guard has twice been mobilized to meet the challenges of a natural disaster in my legislative district. Thankfully every soldier was able to answer that call with the assurance that their civilian job would still be there upon their return.

Kansans have called upon the Kansas Army National Guard for the past 135 years in their time of need. Today the Kansas Legislature has the opportunity to support our Guard. I would appreciate your support of this proposal.

*House Business, Commerce
& Labor Committee*

2/13/96

Attachment 2

Testimony of Alfred Link for HB 2817

I am Alfred Link, a retired member of the Kansas National Guard and the Legislative Chairman of EANGK, the Enlisted Association of the National Guard of Kansas.

All states provide reemployment rights for Guardspeople called to Federal Active Duty, such as training or the Gulf War or the Bosnia Conflict.

About two years ago, it came to our attention that some states, including Kansas, do not have laws protecting reemployment rights of National Guardspeople Called to State Active Duty to assist communities in case of flood, tornadoes, or other disasters.

Would employers discriminate against Guardspeople who sacrifice to help people in these cases? In California, a Guardsman lost his civilian job after he was called to State Active Duty following the earthquake three years ago. But here in Kansas? The seargeant major of the artillery unit in northern Kansas told me that after the flood of 93, when many Guardspeople provided assistance, one of his Guardsmen was dismissed from his civilian job when he returned from serving on flood duty. This man lived and worked in a small community in Northern Kansas and the community rallied to his support and he did get his job back.

During the years I was an active member of the Kansas National Guard, I was called to State Active Duty several times - The flood of 51, the Topeka tornado of 68, and several floods and tornadoes in Southeast Kansas. I was selfemployed and so not concerned about reemployment rights. But I had thought that my men were protected. HB 2817 does provide this protection for Guardspeople called to serve their community and state.

I want to thank my representative, Doug Lawrence, for introducing this bill. And I urge your support to have it enacted.

Alfred E. Link
Alfred E. Link

Legislative Chairman, EANGK

*House, Business, Commerce
& Labor Committee
2/13/96
Attachment 3*

4 Col Butch De re

**National Guard Association of Kansas
2914 Plass Court
Suite 103
Topeka, KS 66611**

**Subject: Testimony in behalf of House Bill No. 2817
Date: 13 February 1996**

The National Guard Association of Kansas, with 1,000 members, wishes to go on record as being strongly in favor of the passage of House Bill No. 2817 which if made public law would protect Kansas National Guardsmen and Women from loss of their permanent employment for serving in State Active Duty with the their National Guard unit or as individuals assigned to special duty of this nature as authorized by the Governor.

Every year, men and women of the Kansas National Guard, both officer and enlisted are called upon to provide relief due to acts of nature or for the public good in restoration of peace, order and quality of life for fellow Kansas citizens. They do so willingly, professionally and without regard to their personal welfare of that of their families in most cases. They answer the call knowing that their training for Federal missions, the equipment they operate and special skills are often the difference between success and failure of the task at hand. In numerous cases, the Guardsmen and women themselves are victimized by broad range disasters and leave their own homes and families to help others.

These soldiers, airmen and women should not have to be concerned about sacrificing their permanent employment or job status in the conduct of these operations while bringing aid to fellow Kansans or other citizens. Our association finds it incomprehensible that an employer would terminate an employee who happens to be a Guard member for execution of their duty. Such employers should be bound by law to honor their portion of the social commitment to health and welfare of all citizens of the State and applaud their employees who assist in its attainment by their membership and service in the National Guard of Kansas.

We pray for passage of this bill and your individual commitment to protection of those who are always on call to protect and aid their fellow citizens. By enacting this legislation, you will not only fulfill a moral commitment to members of the Kansas National Guard but also send a strong message of support from the Kansas Legislature. Thank you for the opportunity to offer testimony in behalf of our comrades.

*House Business, Commerce
& Labor Committee
2/13/96
Attachment 4*

STATE OF KANSAS
THE ADJUTANT GENERAL
2800 S.W. TOPEKA BLVD.
TOPEKA, KANSAS 66611-1287

KANSAS HOUSE OF REPRESENTATIVES
BUSINESS, COMMERCE AND LABOR COMMITTEE
FEBRUARY 13, 1996

TESTIMONY ON HOUSE BILL 2817

BY

MAJOR GENERAL JAMES F. RUEGER

THE ADJUTANT GENERAL

MR. CHAIRPERSON AND MEMBERS OF THE COMMITTEE:

I AM HERE THIS MORNING IN SUPPORT OF HOUSE BILL 2817 REGARDING REEMPLOYMENT RIGHTS OF GUARDSPERSONS RETURNING FROM STATE ACTIVE DUTY.

KANSAS GUARDSPERSONS TRAIN FOR BOTH STATE AND FEDERAL MISSIONS. AS YOU KNOW, OUR STATE MISSION IS THE PROTECTION OF OUR CITIZENS AND THEIR PROPERTY. OFTEN OUR PEOPLE ARE CALLED TO DUTY ON A MOMENTS NOTICE TO PROVIDE OUR CITIZENS THE SECURITY THEY DESERVE.

I BELIEVE THE PASSAGE OF THIS LEGISLATION COUPLED WITH THE UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT OF 1994 WHICH COVERS ALL SERVICE MEMBERS UNDER FEDERAL MOBILIZATION WILL PROVIDE OUR MEN AN WOMEN THE SECURITY THEY DESERVE WHILE PERFORMING STATE ACTIVE DUTY.

THANK YOU FOR YOUR TIME, I WILL BE GLAD TO ANSWER ANY QUESTIONS YOU MAY HAVE.

*House Business, Commerce
& Labor Committee
2/13/96
Attachment 5*

KANSAS BUSINESS ELECTRONIC FILING SYSTEM

Goal: Make Business Filings in Kansas EASIER, QUICKER, and CHEAPER.

The Kansas Business Electronic Filing System is an effort to decrease the complexity of starting a business in Kansas and to increase state agency productivity. The Kansas Secretary of State's office, the Department of Revenue, and the Department of Human Resources are seeking to develop a "One-Stop Shop," thereby allowing new business seeking to file the necessary registration applications in the State of Kansas to do so in a single step without duplication of data entry. The aforementioned agencies have proposed a plan that would utilize the capabilities of the Information Network of Kansas (INK) to make this effort a reality.

Once the system is in place, the system will allow a filer to enter information required by specific state agencies on a single World-Wide Web page data entry form. Once the requisite information is entered into the data entry fields the user will transmit the information to INK. INK will then run an automated process that will transmit the information in the form requested by each agency over a secured network connection. When each agency approves the information received from the business, the agency will--by the stroke of the keyboard--transmit its acceptance of the application to the filer.

*House Business, Commerce
& Labor Committee
2/13/96
Attachment 6*

Task Force
Kansas Business Electronic Filing System

Gary Boomer, CPA
Theresa E. Westphal
Varney & Associates
120 N Juliette
Manhattan, KS 66502
(913) 537-2202

Fred Bosch
Chief Information Architect
Office of Secretary of Admin.
Statehouse, 2nd Floor
Topeka, KS 66612
(913) 296-3011

Harry Herington
Information Network of Kansas
400 SW 8th, Suite 106
Topeka, KS 66603
(913) 296-5059

Jay Holtzman, Executive Director
CECASE
University of Kansas
235 Nichols Hall
Lawrence, KS 66045
(913) 864-7759

Peter Latessa
Robert D. Lueker
Paul Bicknell
Kansas Dept. of Human Resources
401 SW Topeka
Topeka, KS 66603
(913) 296-7874

Kathy Sachs
Jenny Wentz
Office of the Secretary of State
Statehouse, 2nd Floor
Topeka, KS 66612
(913) 296-2236

Steve Kelly
Cindy Schmiedeler
Jim Janousek
Kansas Dept. of Commerce & Housing
700 SW Harrison, Suite 1300
Topeka, KS 66603
(913) 296-5298

Wayne Vennard
Karla J. Pierce
Kansas Dept. of Revenue
DSOB, 915 Harrison, 2nd Floor
Topeka, KS 66612
(913) 296-3909

Charles Warren, President
Kansas, Inc.
632 SW Van Buren, Suite 100
Topeka, KS 66603
(913) 296-1460

Mike Wojcicki, Vice President
Alan Weiss
KTEC
214 SW 6th, 1st Floor
Topeka, KS 66603
(913) 296-5272

February 12, 1996

Ron Thornburgh
Secretary of State



2nd Floor, State Capitol
300 S.W. 10th Ave.
Topeka, KS 66612-1594
(913) 296-2236

Janet Chubb

STATE OF KANSAS

House Committee on Business, Commerce & Labor

February 13, 1996
Hearing on HB 2826

Chairman Lane and Members of the Committee:

Thank you for considering HB 2826, a bill which I believe further advances the options we provide to businesses who need to use the services of state agencies.

This bill permits my office to adopt rules and regulations to provide for the electronic filing of documents filed pursuant to the Kansas Corporation Code and Kansas' partnership acts. The uniform commercial code division in my office has been accepting electronically filed financing statements for nearly one year, and the response to this filing option has been overwhelmingly positive. I anticipate a no-less-than enthusiastic response to the availability of electronic corporate filing services.

It is my hope that by providing electronic filing services, along with the departments of revenue and human resources, the state will cut down on the red tape of starting a business or making changes in a business's existing structure, because electronic filing would enable a business person to enter relevant information into a computer once, and that information could be dispersed among all three agencies as needed. There would be no need to make three, separate filings. For Kansas businesses, electronic filing will be convenient, accessible and timely. It will eliminate repetitious information and burdensome paperwork.

I ask for your favorable consideration of this bill. Thank you.

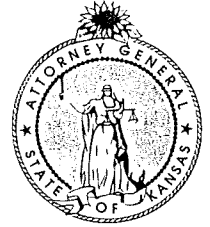
Ron Thornburgh
Secretary of State

*House Business, Commerce
& Labor Committee
2/13/96
Attachment 7*



LARRY WELCH
DIRECTOR

KANSAS BUREAU OF INVESTIGATION
DIVISION OF THE OFFICE OF ATTORNEY GENERAL
STATE OF KANSAS



CARLA J. STOVALL
ATTORNEY GENERAL

TESTIMONY
KYLE G. SMITH, SPECIAL AGENT
KANSAS BUREAU OF INVESTIGATION
ON BEHALF OF THE KANSAS PEACE OFFICERS ASSOCIATION
BEFORE THE COMMITTEE ON BUSINESS, COMMERCE AND LABOR
IN SUPPORT OF HOUSE BILL 2826
FEBRUARY 13, 1996

Chairman Lane and Members of the Committee:

I am Kyle G. Smith, Special Agent with the Kansas Bureau of Investigation. I appear today on behalf of the Kansas Peace Officers Association in support of House Bill 2826 with a friendly amendment.

House Bill 2826 recognizes the changing times and capabilities of the business world. The concern of the Kansas Peace Officers Association is that our criminal codes may not be keeping up with these changes. Currently, the criminal justice system relies on K.S.A. 21-3711 as being the criminal sanction for fraudulently producing phony business records with the intent to defraud or induce official action. However, the language in that statute makes it apply only to "written instruments or entries in a book of account". As criminal statutes are narrowly construed against the state in favor of the defendant, an individual utilizing the authority of House Bill 2826 to file electronically fraudulent reports with the intent to either induce official action or to commit fraud, would be impossible to criminally prosecute.

We would ask this Committee to consider utilizing HB 2826 as a vehicle to not only update how the Secretary of State, Secretary of Revenue and Secretary of Human Resources deal with electronic data, but business in general.

*House Business, Commerce
& Labor Committee
2/13/96
Attachment 8*

Attached to this testimony is a balloon amending K.S.A. 21-3711 by essentially renaming the statute, "making false information" instead of "making a false writing", and adding electronic information to the types of false documents that are prohibited.

Thank you for your consideration. I would be happy to stand for questions.

21-3711. Making a false writing. Making
 a false ~~writing~~ ^{information} is making or drawing or causing to
 be made or drawn any written instrument or entry ^{information},
 in a book of account with knowledge that such ^{electronic data}
~~writing~~ ^{information} falsely states or represents some material
 matter or is not what it purports to be, and with
 intent to defraud or induce official action.

Making a false writing is a severity level 8, non-
 person felony.

History: L. 1969, ch. 180, § 21-3711; L. 1971,
 ch. 107, § 2; L. 1992, ch. 239, § 109; L. 1993, ch.
 291, § 71; July 1.