

Approved: 2/24/97  
Date

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

The meeting was called to order by Chairman Al Lane at 9:03 a.m. on February 5, 1997 in Room 526-S of the Capitol.

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

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

Conferees appearing before the committee: Rep. Richard Alldritt  
Paul Bicknell, KDHR  
Whitney Damron, Kirby Company of Winfield

Others attending: See attached list

The Kansas Workers Compensation Law and Rules of July 1, 1993 and the supplement were passed out to members of the committee. Phil Harness, Director of Workers Compensation, Kansas Department of Human Resources also furnished the committee with a list of the Workers Compensation Advisory Council. The books can be obtained by calling his office at 800 SW Jackson or copies are available to read in Rep. Lane's office. (see Attachment 1)

Hearing on:

**HB 2121 - Extending grace period for employers to file wage reports.**

Rep. Richard Alldritt appeared as a proponent of the bill. The bill provides that the quarterly wage reports filed by Kansas employers be postmarked by the last day of the month. They are now required to mail the reports on the 25th so they are received by the last day of the month. A fine is collected if the reports are late. (see Attachment 2)

Paul Bicknell, Chief of Contributions, Division of Employment Security, Kansas Department of Human Resources, appeared before the committee to explain how the wage reports are handled. They are due the 25th of the month following the end of a quarter, with a five day grace period. If the rules and regs were changed they would probably have to hire another person to keep track of the postmarks on the reports. They now have a policy that they hold the reports for several days after the deadline and only those reports received after this holding time are considered late and levied a fine. He reported that he had not received a lot of complaints about the filing of wage reports, but his staff may be aware of more complaints. He concluded his testimony by answering questions from the committee.

Rep. Pauls suggested that a meeting with the department, Rep. Alldritt and herself could take place to work out a solution and the rules and regs could be amended to be less confusing to employers.

No other persons were present to testify for or against the bill and the hearing was closed.

**Committee action on HB 2022:**

Rep. Mason made a motion to pass out HB 2022 favorably. It was seconded by Rep Wilson. A substitute motion was made by Rep. Pauls to amend the bill and pass it out favorably as amended. (see Attachment 3, amendment offered by Whitney Damron, Kirby Company of Winfield) It was seconded by Rep. Gilmore. In the discussion, Rep. Pauls said she had checked out the amendment with Wayne Maichel, Kansas AFL/CIO and Chuck Engel, Vector Marketing, Inc. and the amendment had been okayed by them. The substitute motion passed.

Chairman Lane adjourned the meeting at 9:33 a.m.

The next meeting is scheduled for February 6, 1997.

HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE  
GUEST LIST

DATE: February 5, 1997

NAME	REPRESENTING
Bill Hayes	KS Dept. Human Resources
PAUL BICKNELL	" " " "
WAYNE MICHEL	KS, AFL-CIO
Whitney Damron	Kirby Co. of Winfield
Chuck Engel	Vector Marketing, Inc.
Terry Leatherman	KCCI
Steve Seebill	KTLA

# WORKERS COMPENSATION ADVISORY COUNCIL MEMBERS

(Revised 11-96)

Philip S. Harness  
Director  
Div of Workers Compensation  
800 SW Jackson, Ste 600  
Topeka, KS 66612-1228  
(913) 296-4000  
FAX 913-296-0025

Ray A. Lagpacan  
Beech Aircraft Corp  
PO Box 85  
Wichita, KS 67201-0085  
(316) 676-8915  
FAX (316) 676-8221

Terry Leatherman  
KS Chamber of Commerce & Ind.  
835 S.W. Topeka Blvd.  
Topeka, KS 66612  
(913) 357-6321  
FAX (913) 357-4732

Wayne Maichel  
KS AFL-CIO  
2131 SW 36th St  
Topeka, KS 66611  
(913) 267-0100  
FAX (913) 267-0919

William A. Moore  
Teamsters Local Union #696  
PO Box 8129  
Topeka, KS 66608  
(913) 232-3866  
FAX 913-232-6096

John M. Ostrowski  
McCullough, Wareheim & LaBunker  
PO Box 1453  
Topeka, KS 66601  
(913) 233-2323  
FAX 913-233-0430

Bill Knox  
United Rubber Workers #307  
1603 NW Taylor  
Topeka, KS 66608  
(913) 234-5688  
FAX 913-234-3116

Daniel R. Messelt, CPCU  
Charleson-Wilson Agency  
555 Poyntz Ave, Ste 205  
PO Box 1989  
Manhattan, KS 66502  
(913) 537-1600  
FAX 913-537-1657

Jim DeHoff  
KS AFL-CIO  
2131 SW 36th St  
Topeka, KS 66611  
(913) 267-0100  
FAX 913-267-0919

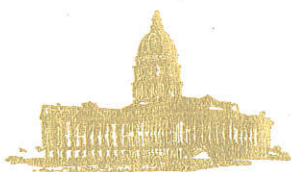
Christine Davis  
PKM Steel Service, Inc.  
228 E Avenue A, P.O. Box 1066  
Salina, KS 67402-1066  
(913) 827-3638  
FAX 913-827-0400

Stephen Richards  
Yellow Corp.  
10777 Barkley St  
Overland Park, KS 67211  
(913) 696-6121  
FAX 913-696-6181

Kip A. Kubin  
Payne & Jones, Chartered  
11000 King St, Bldg C, Ste 200  
P.O. Box 25625  
Overland Park, KS 66225-5625  
(913) 469-4100  
FAX 913-469-8182

*Business, Commerce  
& Labor Committee  
2/5/97  
Attachment 1*

RICHARD ALLDRITT  
REPRESENTATIVE, 105TH DISTRICT  
613 W. 15TH  
HARPER, KANSAS 67058  
(316) 896-7527



TOPEKA

HOUSE OF  
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STATEHOUSE  
TOPEKA, KS 66612  
(913) 296-7686  
1-800-432-3924

Good Morning!

Mr. Chairman and members of the committee, thank you for allowing me to appear before you to speak for Kansas businesses, to speak in favor of HB 2121.

This bill provides only that the quarterly wage reports filed by Kansas employers be postmarked by the last day of the month.

The departments policy is that the wage reports are due the last day of the month - whether that day is the 28, 29, 30, or 31st!

The department asks employers to mail the report on the 25th with no thought of the 25th falling on a Saturday or Sunday or a holiday . There is ample opportunity for confusion which creates an environment providing the department with the ample, more than ample, opportunity to fine Kansas employers.

The Federal wage reports are required simply to be postmarked by the last day of the month.

How much the department collects in fines, and where that money goes.... I don't know. I do know the current policy makes little sense and is a burden on business across the State of Kansas.

Thank you.

*Business, Commerce  
& Labor Committee  
2/5/97  
Attachment 2*

1 (U) service which is performed by any person who is a member of a  
2 limited liability company and which is performed as a member or manager  
3 of that limited liability company; and

4 (V) services performed as a qualified direct seller. The term "direct  
5 seller" means any person if:

6 (i) Such person:

7 (aa) is engaged in the trade or business of selling or soliciting the sale  
8 of consumer products to any buyer on a buy-sell basis or a deposit-com-  
9 mission basis for resale, by the buyer or any other person, in the home or  
10 otherwise rather than in a permanent retail establishment; or

11 (bb) is engaged in the trade or business of selling or soliciting the sale  
12 of consumer products in the home or otherwise than in a permanent retail  
13 establishment;

14 (ii) substantially all the remuneration whether or not paid in cash for  
15 the performance of the services described in subparagraph (i) is directly  
16 related to sales or other output including the performance of services  
17 rather than to the number of hours worked; and

18 (iii) the services performed by the person are performed pursuant to  
19 a written contract between such person and the person for whom the  
20 services are performed and such contract provides that the person will  
21 not be treated as an employee for federal and state tax purposes.

22 (j) "Employment office" means any office operated by this state and  
23 maintained by the secretary of human resources for the purpose of as-  
24 sisting persons to become employed.

25 (k) "Fund" means the employment security fund established by this  
26 act, to which all contributions and reimbursement payments required and  
27 from which all benefits provided under this act shall be paid and including  
28 all money received from the federal government as reimbursements pur-  
29 suant to section 204 of the federal-state extended compensation act of  
30 1970, and amendments thereto.

31 (l) "State" includes, in addition to the states of the United States of  
32 America, any dependency of the United States, the Commonwealth of  
33 Puerto Rico, the District of Columbia and the Virgin Islands.

34 (m) "Unemployment." An individual shall be deemed "unemployed"  
35 with respect to any week during which such individual performs no serv-  
36 ices and with respect to which no wages are payable to such individual,  
37 or with respect to any week of less than full-time work if the wages payable  
38 to such individual with respect to such week are less than such individual's  
39 weekly benefit amount.

40 (n) "Employment security administration fund" means the fund es-  
41 tablished by this act, from which administrative expenses under this act  
42 shall be paid.

43 (o) "Wages" means all compensation for services, including commis-

*Tolman*  
*Business, Commerce*  
*& Labor*  
*Feb. 5, 1997*  
*Attachment 3*

Amendment, with changes (new language is underlined):

(iv) For purposes of this act, a sale or  
a sale resulting exclusively from a  
solicitation made by telephone, mail,  
or other telecommunications method,  
or other nonpersonal method does not  
satisfy the requirements of this section.

*Business, Commerce*  
*& Labor Committee*  
*2/5/97*  
*Attachment 3*