

Approved: SRB 3/7/07  
Date

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:11 A.M. on February 21, 2007 in Room 231-N of the Capitol.

All members were present except:

Brenda Landwehr- excused  
Louis Ruiz- excused  
Ronnie Metsker- excused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department  
Duston Slinkard, Office of Revisor of Statutes  
Stephen Bainum, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

Representative Goico commented that we have been working on this for several years and the consumer is not protected at this time and suggests that we not table **HB 2315 Home inspectors competency and financial responsibility.**

The Chairman said that yesterdays meeting did end with a motion to table this bill. He offered an explanation that the industry has been working on this bill for two or three years with the Realtors, professional engineers, home builders, manufacturers, housing industry and trial lawyers. He would like an up or down vote. There are questions that could be answered in the Senate. If it fails we would like to know what your concerns are about this bill so that the people in the industry can understand your concerns and address them in the next go around. This is a consumer protection bill.

Representative Grange withdrew his motion to table **HB 2315.**

Representative Goico said that \$10,000 was not enough to protect the public and made a motion to change the liability to \$250,000. The motion died for lack of a second.

Representative Humerickhouse made a motion to pass **HB 2315** favorably as amended, seconded by Representative Sharp.

Representative Grant asked if there was a similar Senate bill. The Chairman was not aware of any bill in the Senate. Representative Grant said he still thinks that it should not be sent out.

The question was called and votes were counted by raising hands. The yeas were 6 and nays were 9. The motion failed.

The Chairman opened the hearing on **SB 83 Employment security law; contribution rates.**

Jeff Glendening, Vice President of Political Affairs, The Kansas Chamber testified as a proponent of **SB 83 (Attachment 1).**

Terry Leatherman, The Kansas Chamber explained the bill. Basically you have two bills before you. One a graduated bill and the other a 40% across the board reduction. This is kind of a marriage of the two. It creates a 100% reduction for Rate Groups 1 through 5, for Rate Groups 6 through 8 a tax reduction of 50% and a 40% reduction for Rate Groups 29 through 51. **SB 83** provides stability and eliminates the yo-yo effect. There would not be a shortage in the fund. We don't want to continue to bloat the fund. Meeting the deadline would allow the business community to take advantage of the reductions this year rather than waiting for next year.

The Chairman asked several groups present in the meeting if they were in agreement with this bill. The KCCI, the NFIB and Department of Labor were all in agreement.

## CONTINUATION SHEET

MINUTES OF THE House Commerce and Labor Committee at 9:11 A.M. on February 21, 2007 in Room 231-N of the Capitol.

Representative Pauls asked if everyone was on board with the amendments to **SB 83**. All the departments indicated that they were in agreement with the amendments.

Representative Teitze asked if the numbers were the same on the two bills. Terry indicated that the amounts in **SB 83** were a little higher.

Wayne Michael, Director of Unemployment Insurance, Department of Labor, explained that the Advisory Committee endorsed this bill and urged its quick passage so that they would have time to refigure the rates for 2007 and publish them to the employers by March 15 of this year.

Representative Pauls made a motion to work the bill today, seconded by Representative Goico. The motion passed by unanimous voice vote.

Representative Goico made a motion to amend the existing bill, seconded by Representative Grant. The motion passed by unanimous voice vote.

Representative Goico made a motion to pass the bill favorably as amended, seconded by Representative Gordon. The motion passed by unanimous voice vote.

The Chairman called attention to **HB 2379 Employee misconduct based upon absence or failure to notify of intent to be absent.**

Representative Pauls said that she did receive a copy of the court case and still believes that it makes a change in policy and not just a technical change. She made a motion to refer the bill to the council, seconded by Representative Garcia. There being no discussion the question was called and passed by voice vote.

The Chairman adjourned the meeting at 9:51 A.M.

COMMERCE & LABOR COMMITTEE

DATE: 2-21-07

NAME	REPRESENTING
Ron Seebach	Ken Law Firm
Tom Whitaker	Ks Motor Carriers Assn.
Leslie Kaufman	Ks Coop Council
Martha Jean Smith	KITHIA
ML Dyer	self
John Peterson	Crystal Strategy
Beth Martino	Ks Dept of Labor
KEN DANIEL	Ks SMALL Biz. com
Denick Sontag	NFIB
Scott Heidner	KAREI
Luke Bell	KAR

# Legislative Testimony

SB 83

February 21, 2007

Testimony before the Kansas House Commerce Committee  
By Jeff Glendening, Vice President of Political Affairs



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Thank you Mr. Chairman and members of the committee for this opportunity to testify in support of SB 83 with the presented amendment. My name is Jeff Glendening, and I am representing the over 10,000 member businesses of The Kansas Chamber.

The Kansas Employment Security Trust Fund balance is currently high, with over \$600 million. This bill will allow Unemployment Compensation Tax relief for positive balance employers without jeopardizing the integrity of the unemployment compensation trust fund, which is where unemployment compensation benefits are paid equal to qualified workers who lose their jobs through no fault of their own.

The 51,829 employers who contribute more to the fund than they are charged deserve this relief. It is also important to note that employers are the sole contributors to this fund.

Amended tax relief for specified rate groups is as follows:

<u>Rate Group</u>	<u>Tax Relief</u>
1-5	100%
6-25	50%
26-51	40%

As a measure of security for the employees of Kansas businesses, the tax will be reinstated if the fund falls below a threshold designed to provide a comfortable cushion against a worst case scenario of unemployment.

This tax relief will no doubt allow employers to invest in their businesses, creating new jobs and in the end, stimulate the Kansas economy.

Thank you again for the opportunity to voice our endorsement of this amended legislation.

*The Kansas Chamber, with headquarters in Topeka, is the statewide business advocacy group moving Kansas towards becoming the best state in America to do business. The Kansas Chamber and its affiliate organization, The Kansas Chamber Federation, have more than 10,000 member businesses, including local and regional chambers of commerce and trade organizations. The Chamber represents small, medium and large employers all across Kansas.*

H Commerce & Labor

2-21-07  
(Attach 1)