

Approved: 3/14/08
Date

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:16 A.M. on March 12, 2008 in Room 784 of the DSOB.

All members were present except:

Brenda Landwehr- excused
Candy Ruff-excused
Anna Tietze-excused

Committee staff present:

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

Conferees appearing before the committee:

Jim Garner, Secretary, Department of Labor
Mary Bradshaw, Economic Justice Coordinator, Kansas Coalition Against Sexual and Domestic Violence

Others attending: See attached list.

Jim Garner presented his testimony in support of **SB 461 (Attachment 1)**. He said that this bill contains changes to the Employment Security Law recommended by the Employment Security Advisory Council. The first change increases the set limit for the agency to pursue tax collections from employers from \$1 or less to \$5.00. Secondly the bill phases in over the next three years the requirement that wage reports and UI taxes be filed electronically for employers. The Secretary can waive the requirement if a hardship is shown. Electronic filing of wage reports and taxes will benefit both employers and the department.

Representative Pauls had a question about the timing of quarterly reports shown on page 18. Are these quarterly reports that don't go into effect until July 1s? Yes, that gives us time to make everyone aware of the requirements. They would not be required to file until the 3rd quarter report in September 30.

Representative Brunk asked what would constitute a hardship? Jim said that a flood or a tornado or installing a new software system might be accepted as hardships.

The hearing was closed on **SB 461** and the chairman opened the hearing on **SB 612**.

Rena Jefferies gave an introduction to **SB 612 (Attachment 2)**. There were no questions.

Mary Bradshaw made a presentation in support of **SB 612 (Attachment 3)**. She said that the statutes passed in 2006 to allow victims to take time off work to deal with the impact of sexual and domestic violence were an assistance to stable employment. Unfortunately, the criminal enforcement provisions were omitted and no rule-making authority was authorized. This bill gives the Department of Labor enforcement and rule-making authority in this area. The Department of Labor has agreed to take on this task if the Legislature assigns it to them.

Megan Ingmire, Director of Communications at the Department of Labor stood to answer question in place of Secretary Garner because he had another meeting to attend. She said the Department supports the bill and agrees to take on the enforcement.

Representative Ruiz asked Mary Bradshaw how many cases they have. Mary replied that her agency did not track the number of cases but rather they were concerned to give the victims a source that can give them accurate information. Who usually calls in the request? Mary said it was usually the employee, but they also receive calls from employers.

Representative Kiegerl wanted to know if there is a mechanism to verify what actually happened in case someone should abuse the system. Rena Jefferies said that the bill provides for a police report, court order,

CONTINUATION SHEET

MINUTES OF THE House Commerce and Labor Committee at 9:16 A.M. on March 12, 2008 in Room 784 of the DSOB.

Doctor's report or health care report within 48 hours.

Representative Goico asked if the bill includes language about racial discrimination. Renae Jefferies said that racial discrimination is not addressed by the statute. Representative Goico further asked about a situation involving an attack on a person because of racial discrimination which results in them getting fired. "Is there any protection in that circumstance?" Representative Goico advised that he would have an amendment for the bill when we work it.

Megan Ingmire stood to answer questions. Representative Pauls asked about the Department of Labor's power to enforce the statute. Megan said she would check into it and that it would fall under employment enforcement. Representative Pauls said that the statute had no penalties and needs to be tied into the Statutes that do have penalties. Representative Pauls commented that the domestic abuse statute is very broad and does include racial violence.

There being no more questions the Chairman closed the hearing on **SB 612**.

The Chairman called the committee's attention to **SB 579**. This bill is a duplicate of **HB 2827** which was passed out of our committee on 2/22/08 and placed on the consent calendar.

Renae Jefferies gave a short explanation of **SB 579 (Attachment 4)**.

Representative Roth made a motion to move the bill favorable for passage and place it on the consent calendar. Representative Grant seconded the motion and the motion passed.

The Chairman reminded the committee about the two presentations to be made tomorrow.

Representative Grange reported on House bills being worked in the Senate.

The Chairman adjourned the meeting at 9:50 AM

COMMERCE & LABOR COMMITTEE

DATE: 3-12-08

NAME	REPRESENTING
Lizzie Bernhart	KDOL
Wayne Maikel	KDOL
Mary Bradshaw	KCS DV
Megan Inamire	KDOL
Dennis Clements	Rep. Ruiz
Lindsay Douglas	Hein Law Firm
Denise Santos	NFIB
Crystal Virquez	KPLAAC

Testimony in Support of 2008 Senate Bill 461
House Commerce and Labor Committee
Jim Garner, Secretary
Kansas Department of Labor
12 March 2008

Chairman Brunk and Members of the Committee:

Thank you for this opportunity to appear and share my comments in support of 2008 Senate Bill 461. This bill contains changes to the Employment Security Law recommended by the Employment Security Advisory Council. For your information, I have attached a list of the members of the Council.

This bill makes two simple changes to the law. The first change concerns the set limit for the agency to pursue tax collections from employers. The Employment Security Law currently states that amounts owed from employers for UI taxes or interest is waived and not collected if the amount is \$1 or less. The same limit applies to the payment of refunds. The proposed bill would increase the amount to \$5. This is in line with the Department of Revenue's standards in their tax operations.

Second, the bill would phase in over the next three years the requirement that wage reports and UI taxes be filed electronically for employers with more than 100 employees. After June 30, 2008, those employers with 250 or more employees or third party administrators (TPAs) with 250 or more client employees would be required to file their wage reports, UI tax reports and payments electronically. After June 30, 2009, the electronic filing requirement would apply to employers and TPAs with 100 or more employees. And after June 30, 2010, the requirement would apply to TPAs with 50 or more client employees. The original version of the bill would have required electronic filing by July 2010 by employers with 50 or more employees. The Senate amended the bill to have the requirement for 2010 apply only to third party administrators with 50 or more client employees. The agency supports this change.

The new law would allow the Secretary to waive the requirement if a hardship is shown.

This change is also in line with tax collection operations at the Department of Revenue. Since 2007, employers with 50 or more employees have been required to file their state tax withholding reports electronically (see K.S.A. 79-3299).

Electronic filing of wage reports and taxes will benefit both employers and the department. Electronically filed reports are more accurate since our staff are not required to hand-process the information and manually enter data into a computer system. In

addition, the electronic reports and tax returns can be processed more quickly. This change also will make the KDOL tax unit more efficient. We currently employ numerous temporary employees simply to open and endorse checks that we receive for quarterly tax filings. By increasing the number of employers filing electronic wage reports and tax returns, we hope to make this unit more efficient.

Both proposed changes in Senate Bill 461 have been unanimously recommended by the Employment Security Advisory Council. I would be happy to stand for any questions you may have.

Kansas Employment Security Advisory Council

(Revised October 7, 2007)

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MEMORANDUM

To: House Committee on Commerce and Labor
From: Renae Jefferies, Assistant Revisor
Date: March 12, 2008
Subject: Senate Bill No. 612

SB 612 would allow the Secretary of Labor to adopt rules and regulations necessary to enforce the statutory provisions of K.S.A. 44-1131 and 44-1132 forbidding discrimination in employment relating to victims of domestic violence and sexual assault. Under those statutes, an employer cannot terminate a victim of domestic violence or sexual assault when that termination is based upon the individual missing work for reasons related to the domestic violence or sexual assault.

The fiscal note indicates that the Department of Labor can implement the provisions of SB 612 within its current staff and operating expenditures.

The act takes effect upon its publication in the statute book.

kcsdv Kansas Coalition Against Sexual and Domestic Violence

SAFETY • ACCOUNTABILITY • JUSTICE



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House Commerce and Labor Committee
March 12, 2008
SB 612

Chairman Brunk and members of the Commerce and Labor Committee:

The Kansas Coalition Against Sexual and Domestic Violence (KCSDV) is a statewide organization. Its member programs provide services directly to victims of sexual and domestic violence across the state.

In 2006, Kansas took an important step forward with the passage of workplace protections for victims of sexual and domestic violence. Briefly, these two statutes (K.S.A. 44-1131 and K.S.A. 44-1132) allow victims to take time off work in order to deal with the impact of sexual and domestic violence. This time off can be used for appearing in court, getting to medical appointments, obtaining a protection order, and/or otherwise dealing with the aftermath of the violence. Because having stable employment is so critical for survivors of sexual and domestic violence, this relatively new law is vitally important.

Unfortunately, when this law was passed in 2006, through the legislative give and take process, the criminal enforcement provision was omitted and no rule-making authority was authorized. As it stands now, this is great public policy with no enforcement mechanism. Employers and employees need guidance on how to use, apply, and enforce this law.

Senate Bill 612 merely gives the Kansas Department of Labor enforcement and rule-making authority in this area.

Last summer, as it became apparent that this law had no enforcement mechanism, KCSDV contacted the Kansas Department of Labor who agreed to take on this task should the Legislature assign it to them by statute.

KCSDV fully supports SB 612 and urges the committee to act on it favorably.

Respectfully submitted on behalf of the Coalition,

Mary Bradshaw
Economic Justice Coordinator

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MEMORANDUM

To: House Committee on Commerce and Labor
From: Renae Jefferies, Assistant Revisor
Date: March 12, 2008
Subject: Senate Bill No. 579

SB 579 is exactly the same as HB 2827 which this committee heard and passed out favorably on the consent calendar. The bill amends two statutes in the rules and regulations filing act, K.S.A. 77-415 et seq.

Section 1, on page 3, amends K.S.A. 75-415, the definitions section, to include a definition for small employer. It defines "small employer" as "any person, firm, corporation, partnership or association that employs not more that 50 employees, the majority of whom are employed within this state." As discussed before, the phrase "small employer" is more inclusive than the phrase "small business" because small employer includes small for-profit business, tax-exempt businesses, charities and even individuals who hire someone to assist them in their homes.

Section 2, on page 4, amends K.S.A. 77-416 to provide that when an economic impact statement is prepared by any state agency regarding a rule or regulation, the agency include a statement regarding such rule or regulation's economic impact on small employers.

The act takes effect upon publication in the statute book.

The fiscal note on the bill indicates there would be no fiscal effect on the Department of Agriculture, the Department of Health and Environment and the Board of Regents. The League of Municipalities indicated the fiscal impact on cities that would meet the definition of small business could not be determined.