

SESSION OF 2006

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 518**

As Amended by Senate Committee on  
Commerce

**Brief\***

SB 518, as amended, would make available to an employer various methods of making payment of compensation to employees. An employer would be able to select cash, check or electronic transfer to an automated clearing house member financial institution account designated by the employee as the choice for paying wages. If the employer only provides an electronic transfer payment method, the employer also must offer a payroll card instead of the electronic transfer if the employee requests the card. The card must allow the employee one withdrawal per pay period at no cost.

In addition, the bill would require that the employer hold four quarterly employee forums to provide information to employees regarding plans to implement the new payment system as outlined in the act. The forums are to be held between July 1, 2006 and June 30, 2007.

**Background**

Appearing as proponents for the bill included representatives of Via Christi Medical Center, Arnold Group, YMCA-Wichita and the Kansas Chamber of Commerce.

The Senate Committee amended the bill by requiring the employer to offer the payroll card as well as the electronic transfer, and requiring the four quarterly forums between July 1, 2006 and June 30, 2007.

The fiscal note states that the Department of Labor would experience an increase in the number of inquiries and complaints from employers and employees whose employers chose one of the new payment methods. The Department estimates that it would cost \_\_\_\_\_

\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

\$13,000 from the State General fund to implement SB 518. This estimate includes the equivalent of a half-time clerical position at a cost of \$12,000 for approximately two years to handle the increase in inquiries and complaints. Expenditures of approximately \$1,000 would be used as support costs for the position assigned to these tasks. The Department of Labor states that the agency could absorb the fiscal effect of the bill within existing resources; therefore, no additional funds would be needed. Any fiscal effect resulting from this bill has not been included in the Governor's budget recommendation.