

February 5, 2013

The Honorable Marvin Kleeb, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 286-N
Topeka, Kansas 66612

Dear Representative Kleeb:

SUBJECT: Fiscal Note for HB 2105 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2105 is respectfully submitted to your committee.

HB 2105 amends the state's Employment Security Law.

1. Clarify that all persons and employers are entitled to a neutral interpretation of the law;
2. Remove a provision that provides for an alternative base period when calculating unemployment benefits for someone who has insufficient base period wages;
3. Change what may be construed as wages when calculating eligibility for unemployment benefits so that vacation and holiday pay are treated equally as deductible from benefits;
4. Eliminate the 26 weeks of additional approved training benefits;
5. Clarify that all three conditions must be met for injured workers to be entitled to the alternative base period;
6. Reorganize and modernize the disqualification statute;
7. Impose a penalty on fraudulent unemployment benefit claims;
8. Address the issue of employees on "concurrent" part-time jobs resulting in employers being charged for pro-rata share of their benefits;
9. Grant the Kansas Department of Labor (KDOL) levy and lien authority to aid in the collection of benefit overpayments and allow KDOL to pass federal offset costs onto claimants who have an overpayment gained through fraud;

The Honorable Marvin Kleebl, Chairperson

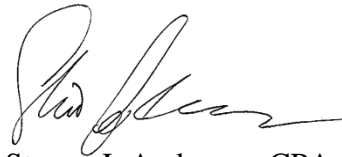
February 5, 2013

Page 2—HB 2105

10. Prohibit KDOL from non-charging employers' experience rating accounts when an overpayment is established from the employer's failure to provide timely and complete information needed to adjudicate a claim if the employer has a pattern of failing to provide the information; and
11. Grant KDOL special investigator law enforcement capabilities to thoroughly complete criminal investigations of crimes, such as UI fraud, tax evasion, and identity theft.

The Department of Labor indicates that enactment of HB 2105 would not result in additional revenues or expenditures. Existing resources will be used to implement the changes to current law contained in the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Dawn Palmberg, Department of Labor