SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2069

As Amended by Senate Committee of the Whole

Brief*

HB 2069, as amended, would prohibit cities, counties, and local government units from using ordinances, resolutions, or law to require private employers to:

- Provide leave, with or without pay, to employees;
- Pay compensation for any leave;
- Pay compensation or wages at a higher rate than the state or federal minimum wage, unless the higher compensation or wages are required by state or federal law; or
- Offer any employee benefit.

Existing policies enacted by cities and counties would become void. This prohibition would not apply to the compensation or leave requirements placed on employers by state or federal law. This prohibition also would not apply to economic development programs of state or local governments.

Cities, counties, or local government units also would be prohibited from requiring, showing preference (either for or against), or basing any policy on the provision of leave (with or without pay), compensation, wages, or benefits by construction contractors or subcontractors on any projects entailing real estate construction or infrastructure work.

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*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

Background

At the Senate Committee on Commerce hearing on the bill, representatives of the Heart of America Chapter of the Associated Builders and Contractors, the Kansas Chamber, the Kansas Restaurant and Hospitality Association, the National Federation of Independent Businesses, and business executives spoke in favor of the bill. Proponents stated wage and benefit levels, if imposed on private employers, should be decided at the state level to avoid the potential for disparate, inflexible policies between communities.

A representative of the Unified Government of Wyandotte County and Kansas City spoke in opposition to the bill, explaining the Unified Government requires its contractors on publicly funded projects to pay a prevailing wage to their employees. The Unified Government's testimony showed that over the past year, the Kansas City Metro Area has exhibited greater economic growth than other parts of the state. A representative of the League of Kansas Municipalities (LKM) also spoke in opposition, questioning how the bill would be applied to various employer-employee relations. Opponents also expressed concern that the bill could erode local policy-making control.

The House Committee on Commerce, Labor, and Economic Development amended the bill to delete reference to economic development initiatives, programs, or grants as a prohibited means to require compensation or benefits higher than state or federal levels.

The Senate Committee amended the bill to prohibit cities, counties, and local government units from administering any policy based upon on the employee benefits offered by employers on certain projects.

The Senate Committee of the Whole amended the bill to:

- Reorganize the prohibition placed upon cities, counties, and local government units, making an additional exception for higher compensation or wages required by state or federal law to be paid by employers;
- Exclude state and local economic development programs from the prohibition; and
- Require cities, counties, and local governments, when administering any policy, also to exclude from consideration the wages, compensation, and benefits offered by construction contractors or subcontractors.

According to the fiscal note provided by the Division of the Budget on the original bill, in consultation with LKM and the Kansas Association of Counties, the bill would have no fiscal effect on state government, but there could be a fiscal effect on cities and counties.