

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on March 14, 2001 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research Department
Bob Nugent, Revisor of Statutes
Lea Gerard, Secretary

Conferees appearing before the committee: Representative Osborne, District 61
Richard Cram, Department of Revenue
John Peterson, National Assoc. of Professional
Employer Organizations
Sandy Jacquot, League of Municipalities

Others attending: See attached sheet.

SB 121—Standards for employing leasing firms.

Richard Cram, Department of Revenue, testified in support of **SB 121** with an amendment. The amendment is to clarify the status of professional employer organizations already operating in Kansas. The amendment would address the question as to whether the client of a professional employer organization can treat the assigned workers as employees for purposes of determining “qualified business facility employees” and claiming the “qualified business facility” tax credit (Attachment 1).

John Peterson, representing the National Association of Professional Employer Organizations, testified in support of **SB 121** with balloon amendments from the Department of Revenue, Insurance Department, Division of Workers Compensation and others. The balloon amendments incorporates the amendments that are requested by all three of the aforementioned organizations. It also reflects an attempt to scale the bill down to a bare bones measure that defines Professional Employer Organizations (PEO’s). (Attachment 2)

John Parisi, Kansas Trial Lawyers Association, testified in opposition to **SB 121**. The Kansas Trial Lawyers did propose an amendment that would address specifically Page 4, Line 19 through 25 striking section (g) (2) and inserting “*assigned workers are employees of the client company for general liability purposes*” (Attachment 3).

Bill Layes, Chief of Labor Market Information Services, Kansas Department of Human Resources, presented written testimony in support of **SB 121** (Attachment 4).

Senator Brungardt moved, seconded by Senator Steineger to adopt the proposed balloon amendment submitted by The Kansas Trial Lawyers on SB 121, Page 4, Line 19 “assigned workers are employees of the client company for general liability purposes”. Motion carried.

Senator Emler moved, seconded by Senator Barone to adopt all the remaining balloon amendments for SB 121 (Attachment 2). Motion carried.

Senator Wagle moved, seconded by Senator Brungardt, that SB 121 be recommended favorably for passage as amended. Motion carried.

HB 2124—Lake Wabaunsee Improvement district; powers and duties.

Representative Osborne testified in support of **HB 2124** stating it is a local control issue. The Lake Wabaunsee Improvement District would like to have the same opportunity as improvement districts that fall outside the 5 mile radius. Lake Wabaunsee is about four miles outside of Eskridge and that is the point of contention. By adding new language on Page 3, Lines 36 and 37, it will allow the district to clearly take charge of their future health and nuisance problems (Attachment 5).

Chairperson Brownlee declared the hearing closed on **HB 2124**.

CONTINUATION SHEET

HB 2301—Workers compensation; computation of benefits and administrative changes.

Sandy Jacquot, Director of Law/Legal Counsel, League of Municipalities, testified in opposition to **HB 2301**. The Kansas Municipal Insurance Trust, a workers compensation pool for municipalities is under the umbrella of the League of Kansas Municipalities and the League provides administration of the pool. The bill does not address all of the competing public policies or legal impediments that are inherent in this issue. The bill is an attempt at a quick fix that only raises more questions and problems (Attachment 6).

Chairperson Brownlee stated the issue the committee was left with the last time the bill was heard was a miscalculation in the benefit amount for the volunteer firefighters. The Chairperson suggested that the Committee correct their benefit to be \$401.00 per month and not the \$356.00 per month which was a miscalculation.

Chairperson Brownlee declared the hearing closed on **HB 2301**.

Upon motion by Senator Jordan, seconded by Senator Jenkins, the minutes of March 1st, March 2nd and March 5th meetings were unanimously approved.

Meeting adjourned at 9:30 a.m.

Next meeting scheduled March 15, 2001 at 8: 30 a.m.