

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairman David Wysong at 8:30 a.m. on February 18, 2009, in Room 545-N of the Capitol.

All members were present except:
Senator Susan Wagle- excused

Committee staff present:
Ms. Margaret Cianciarulo, Committee Assistant
Mr. Norm Furse, Office of the Revisor of Statutes
Mr. Ken Wilke, Office of the Revisor of Statutes
Mr. Reed Holwegner, Kansas Legislative Research Department
Mr. Julian Efird, Kansas Legislative Research Department

Conferees appearing before the Committee:

Others attending:
Please see attached list.

Action on SB120 - An act concerning the Kansas investments in major projects and comprehensive training relating to the secretary of commerce authorizing the funding of certain economic development projects.

Upon calling the meeting to order Chairman Wysong reminded the Committee of their hearing of yesterday (February 17, 2009) on the IMPACT bill and basically on page three it adds any wages paid to persons receiving education or training under a project and asked for questions or comments from Secretary Kerr or the Committee. As there were none Senator Lynn made a motion to pass the bill favorably. It was seconded by Senator Reitz and the motion carried.

Action on SB160 - An act concerning the minimum wage and maximum hours law

The next order of business was action on **SB160** with Chairman Wysong stating he, at one point in time, was considering this bill be sent to an interim committee and with some renewed interest from sufficient numbers of the Committee was turning this over to Senator Kelsey who suggested that they design this bill to conform to the federal minimum wage, because that is what everyone has to pay anyway and offered a balloon to share with the Committee that makes it effective on January 1, 2010 which is after the federal minimum wage increases to \$7.75 per hour and then with the second amendment of the balloon with regards to tips which will come out at \$7.25 , \$2.13 is the base of what a restaurant has to pay under the federal minimum wage so that makes that equal.

The Chair then asked for comments or questions of the Committee or others on the bill or on the amendment. Senators Lynn, Kelsey, Holland, Reitz asked questions including, how this might affect our small business community specifically retail, but would like some clarification? Is it my understanding that if any business takes checks or credit cards you have to pay the federal minimum wage, so no small business is exempt? If there are so few people affected by this bill, why do we have several folks that come to us with several points of view that support who come to us with several points of view that support this concept why is it even worth their time and also, why have the surrounding states taken the opportunity to mull this over and Kansas does not?

Mr. Eckles, & Mr. Hein both agreed that their concerns are that government does not intervene. The Chair recognized Mr. Andy Sanchez who stated that the Federal Labor Standards Act (FLSA) was very clear on that the reason the minimum wage standard is set is to treat workers right so that they do not get exploited it is very clear in the federal law and with the State minimum wage they are trying to do the same and nothing more. Mr. Sanchez was also given a copy of the amendment to look over and he had no objections. The Chair also stated he had received information from Mr. Don Saylor from KRHA basically stating the same

response as Mr. Eckles and Mr. Hein. Mr. Dan Murray from NFIB was also recognized by the Chair and

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asked for NFIB's position on the bill. Mr. Murray said they oppose the policy of the minimum wage being set by the government (setting limits, negotiation contracts).

As there was no further discussion, Senator Kelsey made a motion to adopt the amendment. It was seconded by Senator Schodorf and the motion carried.

Senator Holland made a motion to pass out **SB160** favorably as amended. It was seconded by Senator Reitz and the motion carried.

Senator Lynn requested her "no" vote be recorded on both motions.

Adjournment

As there was no further business, the Chair adjourned the meeting. The time was 9:20 a.m.

The next meeting is scheduled for Tuesday, February 26, 2009.