

Before the Committee on Commerce

**Testimony in favor of HB 2179
Presented on March 15, 2013
By Justin McFarland, Deputy General Counsel
Kansas Department of Labor**

Madame Chairwoman and Honorable Members of the Committee:

Thank you for the opportunity to provide this testimony in support of 2013 House Bill 2179, a bill concerning collection of unpaid final administrative orders under the Kansas Wage Payment law.

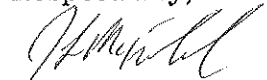
HB 2179 removes the Kansas Department of Labor's obligation to take assignment of wage claims that have become final after all administrative appeals have been exhausted. Under current law, once a wage claim becomes final and the amount of the unpaid wages is less than \$10,000, KDOL must take assignment of the claim and pursue collection from the employer. If the claim is for over \$10,000, the Department has the discretion to accept assignment or refer the collection activity to the private sector.

Typically, when KDOL accepts assignment of the final claim, we commence a civil lawsuit against the employer. In return for acting as collection attorney for the claimant, the Department receives a nominal assignment fee and, if collection is successful and the court awards them, attorney fees. HB 2179 will grant the Department the discretion to accept assignment of the wage claim, regardless of the amount.

Important to note is that HB 2179 does nothing to affect an employer's obligation to pay its employees. The bill also maintains the Department's role in investigating and settling wage claims and providing final administrative review. For example, in 2011, KDOL investigated 990 wage claims and recovered \$791,000. The prior year, the claims number was 1079 and pre-assignment recovery was \$1,050,000. Even with the passage of HB 2179, these investigation and recovery activities will continue.

Please feel free to contact me with any questions.

Respectfully,


Justin McFarland