

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 371**

As Recommended by Senate Committee on  
Commerce

**Brief\***

SB 371 would revise provisions of employment security laws, commonly referred to as Unemployment Insurance (UI), pertaining to the disposition of penalties collected and the disclosure of information in certain circumstances.

The bill would require proceeds from the penalty for fraud, which is equal to 25.0 percent of the amount of UI benefits unlawfully received, to be deposited into the Employment Security Trust Fund.

The Secretary of the Department of Labor would be permitted to publish appeals records, precedential determinations on coverage of employers, and employment and wages after all Social Security numbers have been removed from these documents. The bill would allow disclosure of any information obtained under the UI laws for criminal investigations or for the use of a contractor of a public official. Any party receiving confidential information would be prohibited from further disclosure and would be subject to penalties for violations. The bill would also make a number of technical changes.

**Background**

During the hearing before the Senate Committee on Commerce, a representative of the Department of Labor testified in support of the bill. During the 2013 Session, HB

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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>

2105 was enacted and imposed a penalty for fraud. The Department representative stated this bill would clarify where penalty proceeds would be deposited. The changes proposed to record keeping and reporting provisions are permitted under federal regulation.

There was no neutral or opponent testimony.

According to the fiscal note prepared by the Division of the Budget, in consultation with the Department of Labor, the bill would have no fiscal effect.