

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Don Dahl at 9:00 A.M. on March 2, 2006 in Room 241-N of the Capitol.

All members were present.

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department
Norm Furse, Office of Revisor of Statutes
Renaë Jefferies, Office of Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee:

Sherry C. Diel, Executive Director, Kansas Real Estate Commission
Bill Yanek, Kansas Association of Realtors
Phillip Hayes, The Arnold Group, Wichita
Mary Faulkner, Prairie State Bank, HRM
Roberta Johnson, Legal Counsel, Via Christi
Marilyn Jacobson, Department of Administration
Rich McKee, Kansas Self-Insurers Association (KSIA)

Others attending:

See attached list.

The Chairman stated the Minutes of February 8, 9, 10, 13, 14, 15, 16, 17, 20, 21 and 22 were distributed.

Representative Grant moved and Representative Ruiz seconded without objections the Minutes be accepted. The motion carried.

The Chairman opened the hearing on **SB 271 - Real Estate brokers and salespersons; fees.**

Staff gave a briefing on **SB 271**. The bill was introduced during the 2005 Session. As introduced, the bill would have increased the cap on the eight statutory fees charged by the agency. However, the Senate Committee on Ways and Means amended the bill to delete the language that would have increased the fees. There were technical amendments approved by the Senate Ways and Means Committee and the Senate Committee of the Whole.

Sherry C. Diel, Executive Director, Kansas Real Estate Commission, spoke as a proponent to **SB 271**. The original bill, as introduced, provided for a general fee increase as well as the establishment of five new fees for the Real Estate Commission. The fees had been at the statutory cap since 1998. In FY 05, \$508,000 was transferred from the commission's fee fund to the State General Fund. The Commission was concerned that the transfer would rapidly place the fee fund in a precarious position and the Commission would not be able to react because fees were at the statutory cap. However, because of the record breaking housing market over the past few years, the Commission's applications have increased, and the fee fund did not decrease as expected. Because the Governor did not recommend a fee fund increase, the Commission requested that the Senate Ways and Means Committee amend the bill to return the fees to the existing statutory cap. The only fees that remain in the bill are the five new fees concerning work that staff performs but no authority exists to charge a fee (Attachment 1).

Bill Yanek, Kansas Association of Realtors (KAR), Director of Governmental Relations, testified as a proponent to **SB 271**. KAR does not oppose passage of **SB 271**. KAR is pursuing legislation that would add real estate salespersons and brokers licensed under the Kansas Real Estate Brokers' and Salesperson's License Act to the list of individuals who can access the contents of real estate validation questionnaires. There is no fiscal impact to the State of Kansas (Attachment 2).

The Chairman closed the hearing on **SB 271**.

CONTINUATION SHEET

MINUTES OF THE House Commerce and Labor Committee at 9:00 A.M. on March 2, 2006 in Room 241-N of the Capitol.

The Chairman opened the hearing on **SB 518 - Payment of compensation; payment methods; electronic transfer, electronic deposit, payroll card.**

Staff gave a briefing on **SB 518.**

Phillip M. Hayes, Operations Manager & HR Consultant, The Arnold Group, A Human Resource Company, testified as a proponent to **SB 518** with an amendment. Employers throughout the state are being challenged to do more with less and must develop process improvements to provide quality services and improve their competitive position. Allowing Kansas employers to designate and implement electronic payroll programs would provide businesses an important opportunity to deliver high quality service that their employees deserve, result in more efficient and cost-effective operations, and help employees without traditional bank accounts take advantage of electronic payment benefits. Kansas employers should be provided the option to designate the method of which they pay their respective employees which best fits their business model. Electronic payroll processing is safe, convenient and reliable (Attachment 3).

Mary Faulkner, Vice President & Human Resource Officer, Prairie State Bank, Augusta, and concerned Kansas resident testified as a proponent to **SB 518**. This amendment would allow a business operating in Kansas to make the most effective business decision on pay method, in addition to providing a safe, convenient and timely delivery of an employee's earned wages (Attachment 4).

Roberta R. Johnson, Associate General Counsel, Via Christi Health System, testified as a proponent to **SB 518**. This would amend K.S.A. 44-314 to allow Kansas employers additional flexibility with respect to the management of their payroll processes and payment methods by allowing employers to designate, if they so choose, to exclusively pay employees electronically, by direct deposit or by use of a payroll card, the latter to be provided by the employer if requested by an employee (Attachments 5 & 6).

Marilyn Jacobson, Director of Finance, Kansas Department of Administration, testified as a proponent to **SB 518** with an amendment. This balloon would bring consistency between the statute governing payment methods for state employees with the statute that covers all other employers within the state by striking the language requiring written authorization and linking the requirements in K.S.A. 75-5540 to K.S.A. 44-314 (Attachment 7).

The following proponents written testimony was distributed: Marlee Carpenter, The Kansas Chamber (Attachment 8), Patrick Salmans, Vice President of Human Resources, Sunflower Bank, Salina, KS, (Attachment 9) and Kathy Damron, YMCA's of Kansas (Attachment 10).

The Chairman closed the hearing on **SB 518.**

The Chairman opened the hearing on **SB 515-Workers Compensation pool; group-funded; surplus funds; adequate surplus funds.**

Staff gave a briefing on **SB 515.**

Rich McKee, Kansas Self Insurers Association (KSIA), testified in support of **SB 515**. **SB 515** addresses the difficulty self insured pools are having obtaining aggregate excess insurance coverage by allowing them to appeal to the Insurance Commissioner to waive that requirement. All self insured pools are required by statute to carry aggregate excess insurance coverage. The public sector pools already have the ability to appeal to the Insurance Commissioner to waive that requirement. No such opportunity is provided for the private sector pools. **SB 515** would correct that disparity (Attachment 11).

The Chairman closed the hearing on **SB 515.**

The meeting adjourned at 10:55 a.m. The next meeting will be March 3, 2006.