

Approved: 3/1/07  
Date

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:05 A.M. on February 13, 2007 in Room 231-N of the Capitol.

All members were present except:

Brenda Landwehr- excused  
Broderick Henderson- excused  
Candy Ruff- excused  
Kasha Kelley- excused  
Mike Kiegerl- excused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department  
Duston Slinkard, Office of Revisor of Statutes  
Stephen Bainum, Committee Assistant

Conferees appearing before the committee:

Phillip M Hayes  
Patrick Salmans  
Bill Goodlatte  
Bill Schmitz  
Doug Robinson  
Sandy Jacquot  
Kathy Olsen

Others attending:

See attached list.

The Chairman opened the hearing on **HB 2316 - Authorizing paperless methods for employers.** asking the committee to hold their questions until the conferees had presented their testimony.

Phillip M. Hayes, SPHR, Legislative Director for The Kansas Society for Human Resource Management testified as a proponent of **HB 2316 (Attachment 1).**

Patrick Salmans, Vice President of Human Resources for Sunflower Bank, N.A. in Salina, Kansas testified as a proponent of **HB 2316 (Attachment 2).**

Bill Goodlatte, Vice President, Human Resources, The LDF Companies testified as a proponent of **HB 2316 (Attachment 3).**

William Schmitz CPA, Business Manager, Greater Wichita YMCA testified as a proponent of **HB 2316 (Attachment 4).**

Doug Robinson, Finance Director, City of Lenexa testified as a proponent of **HB 2316 (Attachment 5).**

Sandy Jacquot, Director of Law/General Counsel, League of Kansas Municipalities testified as a proponent of **HB 2316 (Attachment 7).**

Kathleen Taylor Olsen, Kansas Bankers Association testified as a proponent of **HB 2316 (Attachment 8).**

The following presented written testimony supporting **HB 2316:**

Margaret Kummer, Kansas Hospital Human Resources Association President. (Attachment 6).  
Ronald R. Hein on behalf of Kansas Restaurant and Hospitality Association. (Attachment 9).  
Marlee Carpenter, Vice President of Government Affairs, The Kansas Chamber. (Attachment 10).  
Kenneth Daniel for KSSmallBiz.com. (Attachment 11).  
Cathy Beyda, Pete Isberg and William Dunn of the American Payroll Association. (Attachment 12).  
William F. Hutton and H. Eugene Dooley, YMCA of Greater Kansas City. (Attachment 13).

## CONTINUATION SHEET

MINUTES OF THE House Commerce and Labor Committee at 9:05 A.M. on February 13, 2007 in Room 231-N of the Capitol.

The Chairman asked for any neutral or opponents of the bill. There were none.

The Chairman opened the floor for questions. Phillip Hayes answered most of the questions.

Representative Goico asked three questions. 1. What happens if a card is lost or stolen or you have identity theft? 2. What is the amount that can be charged for use of the card or is there a cap? 3. How is a case of garnishment handled. The answers were: 1. The cards have a pin number which provides security. 2. They allow one no cost option for withdrawing the funds and 3. The garnishments take place before the pay is transferred to the card. Page 2, line 3 states that title passes to the owner of the card when the payroll is transferred. Representative Goico stressed the need for clearer language on a cap for the costs to the employee and garnishment.

Representative Pauls asked if a persons assets were being taken in a lawsuit if the card income was subject to seizure. He also asked if there is a limit similar to a banks \$50.00 loss limit. Phillip said the funds are FDIC insured and he would have to check on the lawsuit question.

Representative Metsker asked a question for Doug Robinson. How much will it save Lenexa? He replied \$2500.00 to \$5000.00 annually.

Representative Grange asked 5 questions. 1. What is the cost to a business? 2. What bank is used? 3. A question about the 48 business hours? 4. What can we say to Payday loans? 5. Is there a paper trail? The answers were as follows. 1. It depends on the negotiations with the financial institution. We have to balance the cost of the pay card with the cost of other systems of payment. 2. The employer checks with the employees for their preference. 3. Yes. 4. Where is the opposition? 5. Yes, always.

Representative Sharp asked a question about page 2, Line 16 and 22. Does it exclude bonus checks? The reply was that another statute required pay periods to be defined. The question of special paydays was left unanswered.

Representative Pauls asked if they would check to see if an employer can pay out expenses on the payroll card.

The Chairman asked if there were any other questions and there being none he closed the hearing on **HB 2316**.

Representative Grange told about the sub committee meeting on **HB 2251**. They are meeting this Thursday, February 15<sup>th</sup> at 11:00 A.M. in Olathe. The contractors and others are getting together to discuss the wording of the bill and will keep us updated.

Representative Huntington said that there were concerns that the continuing education classes are not regulated.

Representative Pauls said there would be an update on the realtor's bill about background checks.

The Chairman adjourned the meeting at 10:11 A.M.