

March 1, 2023

The Honorable Troy Waymaster, Chairperson
House Committee on Appropriations
300 SW 10th Avenue, Room 112-N
Topeka, Kansas 66612

Dear Representative Waymaster:

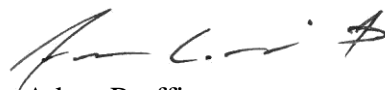
SUBJECT: Fiscal Note for HB 2401 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2401 is respectfully submitted to your committee.

HB 2401 would make various amendments to the Kansas Employment Security Law, including updating language and making clarifications throughout KSA 44-703 through KSA 44-717. The bill would update the definition for “benefit year” and would add a definition for “temporary unemployment.” After June 30, 2023, the bill would require electronic filing of wage reports, contribution returns, and payments and interest assessments for any employer with 25 or more employees and third-party administrators with 25 or more client employees at the time such filing or payment is first due. The bill would also permit the exercise of discretion in the number of appointments and length of terms with respect to the temporarily expanded Employment Security Board of Review members.

According to the Kansas Department of Labor, enactment of HB 2401 would result in savings of up to \$30,000 from unemployment administration grant expenditures annually due to a reduction of board members. The agency states the bill would allow the agency to modernize with less customizations, which would also result in savings, although an estimate could not be provided. The Kansas Department of Revenue anticipates administrative costs of approximately \$600 for updates to the Kansas Withholding Tax Guide. According to the agency enactment of the bill would not have an effect on State General Fund receipts. Any fiscal effect associated with HB 2401 is not reflected in *The FY 2024 Governor’s Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Dawn Palmberg, Department of Labor
Lynn Robinson, Department of Revenue