

February 21, 2017

The Honorable Julia Lynn, Chairperson  
Senate Committee on Commerce  
Statehouse, Room 445-S  
Topeka, Kansas 66612

Dear Senator Lynn:

**SUBJECT:** Fiscal Note for SB 134 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 134 is respectfully submitted to your committee.

Under current law, any person who knowingly and intentionally misclassifies an employee as an independent contractor for the sole or primary purpose of avoiding either state income tax withholding and reporting requirements or state unemployment insurance contribution reporting requirements is subject to a civil penalty for a first violation. For a second violation, a person is subject to a civil penalty and can be prosecuted for a class C nonperson misdemeanor. Upon a third violation, a person is subject to a civil penalty and can be prosecuted for a class A nonperson misdemeanor. SB 134 would amend these classifications to make the second and any subsequent violation a severity level ten, nonperson felony.

The Kanas Sentencing Commission states enactment of SB 134 could have an effect on the probation population; however, it would be negligible. According to the Attorney General, enactment of SB 134 would have no fiscal effect. Any fiscal effect associated with SB 134 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Ashley Michaelis, Judiciary  
Linda Kelly, Corrections  
Scott Schultz, Sentencing Commission  
Willie Prescott, Office of the Attorney General  
Melissa Wangemann, Association of Counties