



The Voice of Small Business®

**Testimony in Support of HB2627 by Mr. Daniel Murray
Kansas State Director, National Federation of Independent Business
Senate Commerce Committee
Tuesday, March 13, 2012**

Good morning Chair Wagle and members of the Committee. I am pleased to be here on behalf of the National Federation of Independent Business (NFIB). The NFIB is the state's leading small business advocacy organization representing over 4,100 small business owners across Kansas.

NFIB supports HB2627, which would amend current law regarding withholding of wages by an employer. The bill would authorize an employer to withhold, deduct or divert any portion of an employee's wages for the following purposes:

1. To allow the employee to repay a loan or advance made by the employer to the employee within the scope of employment;
2. To allow for recovery of payroll overpayment;
3. To compensate the employer for the value of the employer's merchandise or uniforms purchased by the employee; and
4. To compensate the employer for breakage, loss or return of merchandise, inventory shortage or cash shortage caused by the employee where the employee was the sole party responsible for the damage or loss.

This bill provides small employers a reasonable recourse to recover lost equipment, etc. from employees. This issue is particular important when employees are terminated or leave the small business and fail to return equipment, uniforms, or other business merchandise. In these cases, the employer has no simple way in which to recover the business' items. This bill allows the employer AND employee to avoid a costly legal battle.

Small businesses often operate on thin margins. This bill helps them recoup loss in a timely and efficient manner.

Again, NFIB supports HB2627 According to the Kaiser Family Foundation, the percentage of small firms (3-24 employees) offering health benefits in 2000 was 50 percent. In 2011, that percentage had dropped to 38 percent and urge its passage.

Small Business Isn't Small

Collectively, small business isn't small. It represents over 97 percent of all employer firms and provides employment to 54.7% of the non-farm private work force in Kansas. It pays 44 percent of total U.S. private payroll. In the past fifteen years, it has annually generated 64% of net new jobs. It generates more than 50% of the gross domestic product. It possesses half of the business wealth in the U.S

Senate Commerce Committee

Date: March 13, 2012

Attachment 4