

February 14, 2012

REVISED

The Honorable Anthony Brown, Chairperson
House Committee on Commerce and Economic Development
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Brown:

SUBJECT: Revised Fiscal Note for HB 2627 by House Committee on Commerce and Economic Development

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2627 is respectfully submitted to your committee.

HB 2627 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.

According to the Department of Administration, enactment of HB 2627 would not affect state agencies or payroll processing for state employees. Policies and procedures are already in place to obtain reimbursement to the state through either personal reimbursement of the state setoff program. Additional review would be done to determine whether paycheck deduction would be an additional avenue sought for repayment of debts. The Department of Labor administers the state's Wage Payment Act and would be responsible for enforcement of HB 2627. The Department now indicates that HB 2627 might generate an increase in wage claims

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and contested hearings through the Office of Administrative Hearings. Current staffing should be able to absorb the anticipated 100 case increase per year.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Kathie Sparks, Labor
Marilyn Jacobson, DofA